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The Economic Structure of Pan Americanism

by W. Tapley Bennett, Jr.

Deputy Director, Office of South American Affairs¹

In undertaking an assessment of the current state of relations between the United States and Latin America, it is perhaps well to reflect on that maxim which is inscribed in Washington over the entrance to the great building which houses the National Archives of the United States: "The Past is Prologue." For indeed, hemisphere relations today, in addition to reflecting the changes that have evolved in the normal course of historical development, are in a particular sense the result of conscious efforts and consistent policies which have been carried out by the governments and peoples of the 21 American Republics during the last 20 or 25 years.

Let us then review briefly some of those efforts and policies. It is perhaps also incumbent on us to look at some of the developments which, like Topsy, "just grew." Many people in our country do not as yet realize the full implications of the fundamental changes which have taken place in recent years in the relationships of the United States with its neighbors to the south.

For more than 100 years the attitude of the United States toward Latin America was marked by the unilateral concepts of the Monroe Doctrine. In the early days of this century there was added President Theodore Roosevelt's corollary, and there were the years of the "Big Stick." Our attitudes reached a turning point in the years 1928 to 1936, when we abandoned intervention and adopted the Good Neighbor Policy as our rule of conduct in our relations with the other American Republics.

First there were Ambassador Morrow's mission to Mexico, Secretary of State Stimson's departure from unilateral policies, and President Hoover's preinauguration tour of South America. These

steps, combined with the later and more extensive programs of President Franklin D. Roosevelt, Secretary Hull, and Sumner Welles, effected a thorough-going revision of our methods of dealing with Latin America and were characterized by the relinquishment by the United States of vested positions throughout the area and the adoption of positive programs of cooperation.

In 1934 we abrogated the Platt Amendment which had given us the treaty-right to intervene in Cuba. We withdrew from our military and financial interventions in Nicaragua, Haiti, and the Dominican Republic. We restated our relations with Panama in the treaty of 1936. At the Habana conference, in 1928, the Montevideo conference in 1933, and the Buenos Aires conference in 1936 we voluntarily accepted without reservation the commitment of nonintervention in the internal affairs of other republics of the hemisphere. We accepted the principle of sovereign juridical equality of all the American States. These voluntary liquidations of long-held positions and our acceptance of these principles went far to diminish Latin American distrust and dislike of the United States. They opened the way for the development of a hemispheric solidarity which proved its worth in the searing ordeal of World War II.

Postwar Years of the Inter-American System

In the postwar years the further development of the inter-American system, which now has more than 60 years of existence, has proceeded apace. In 1947 the Rio treaty, forerunner of the North Atlantic pact, was signed to provide for the military defense of the hemisphere and to prevent aggression within the inter-American community. In the brief lifetime of the Rio pact there has already been strong and effective multilateral ac-

¹ Address made before the Hispanic American Institute at Stanford University, Stanford, Calif., on July 29 and released to the press (No. 592) on the same date.

tion to keep the peace in three instances of serious inter-American dispute.

In 1948, at Bogotá, a charter for the Organization of American States was adopted. This charter may be regarded as the constitution of the inter-American system. In 1951 the Foreign Ministers of the American States, meeting at Washington to consider problems raised by the menace of aggressive international communism, set in motion machinery to resolve economic problems arising out of the preparedness program. The Ministers also decided to base hemisphere defense plans on the principle of collective action and agreed that forces should be developed for specific roles within that concept. Those plans are now in the process of implementation.²

The growth of political relationships and interdependence among the American Republics has been accompanied by similar developments in the economic field. With the fastest growing population of any area in the world, the economic growth of Latin America has been dramatically impressive in recent years. While no exact figures on the national incomes of the various countries are available, rough estimates indicate that the national income of Latin America as a whole increased about 100 percent in the 6 years between 1943 and 1949. In that period, Brazil's national income is estimated to have increased from 2.5 billion dollars to 5.9 billion dollars, Chile's from 955 million dollars to 2.3 billion dollars, and Mexico's from 2.1 to over 3 billion dollars. In Colombia, the expansion was from 732 million dollars in 1943 to 1.5 billion dollars in 1947, and other republics showed similar increases. In many countries the rise in national income has been accompanied by a sharp expansion in the volume and rate of domestic capital formation.

These growth figures are reflected in the increase in trade between the United States and Latin America. In 1920, a year of economic prosperity and inflated postwar prices, U.S. imports from Latin America amounted to 1.8 billion dollars. By 1950 they reached 2.9 billion dollars and constituted about 35 percent of all U.S. imports from all sources.

These 1950 imports were significant, not only for their size but also because more than half of them were strategic materials in which the United States is in short supply. Quite aside from its production of sugar, coffee, and bananas, Latin America is the source of 100 percent of our imports of vanadium; more than 95 percent of our imports of quartz crystals and castor-bean oil; more than 80 percent of our imports of crude petroleum and fuel oil, cordage sisal, and vegetable tannin materials; more than 60 percent of antimony, cadmium, and copper; more than 50 percent of beryl, bismuth, and lead; and a significant part of our im-

ports of such products as chromite, manila fibers, fluor spar, manganese, tin, wool, and zinc.

Venezuela, Chile, and Brazil are becoming increasingly important suppliers of two of the basic ingredients of our steel industry—iron ore and manganese. The monumental report issued last month by the President's Materials Policy Commission, a distinguished committee of private citizens headed by William S. Paley, president of the Columbia Broadcasting System, makes it amply clear that we shall be more, not less, dependent in the future on these foreign sources of supply for some of our most essential and vital needs.³

U.S. Economic Involvement in Latin America

The facts on U.S. exports to Latin America are equally striking and emphasize the importance of Latin America to this country's manufacturers and exporters. While in 1930, Latin America absorbed only about 16 percent of our total exports, in 1950 she took 27 percent of them. In 1950 the countries of Latin America purchased about 2.7 billion dollars of U.S. goods. By comparison our exports to Western Europe in the same year were valued at 2.9 billion dollars, nearly 2 billion dollars of which was financed out of Marshall Plan funds. While some of this increase in trade with Latin America is undoubtedly due to wartime dislocations and disruptions in other exporting nations, much of it is due to changes in Latin American demand, brought on by industrialization and increased purchasing power there. These facts provide striking evidence of the importance of industrial development in Latin America to our foreign trade. Latin America in 1950 absorbed about 44 percent of our total exports of automobiles, 40 percent of our exports of textile manufactures, 40 percent of our exports of iron and steel advanced manufactures, 38 percent of our exports of chemicals, and 30 percent of our exports of machinery.

Nor should we overlook the fact that Latin America is extremely important as a field for U.S. foreign investment. Dollar investments have flowed to Latin America since the war at an unprecedented rate, and at the end of 1950 our direct private investments in the area were about 6 billion dollars. Except for Canada, this amount represents something over half of the total of all U.S. private investment abroad. The scope of this economic involvement in Latin America takes on an added impressiveness when we consider the fact that the population of the 20 Republics of Latin America represents less than 7 percent of the population of the world, it having recently, like the United States, passed the 150 million mark.

This tremendous economic growth of Latin

² For information on this meeting, see BULLETIN of Apr. 9, 1951, pp. 566-575 and *ibid.*, Apr. 16, 1951, pp. 606-618.

³ For a summary of the Commission's report, see *ibid.*, July 14, 1952, p. 55.

America in recent years has differed from our own development. In contrast to the steady growth of the industrial structure in this country since the early days of the Republic, there have been sudden and radical changes in the past two decades in Latin America after a more or less static economic structure of long duration. The old agricultural and real estate economy has suddenly felt the impact of a surging industrial development. This surge is not something that has been decided on and imposed from above—it has come about by popular demand. As in other parts of the world, the masses of the people of Latin America are no longer apathetically resigned to lives of grinding poverty, disease, and ignorance. They want more of the good things of life for themselves and greater opportunities for their children. Their determination for a greater share in the benefits of modern society has brought powerful pressures in every country. There is genuine social ferment throughout the region. Governments have become increasingly responsive to the will of the people and universally show a preoccupation with improving the lot of the common man through economic and social development that was unknown two decades ago in many countries. This concern for the public welfare and these plans for economic expansion assume crucial importance when one recognizes that perhaps the most critical problem for Latin American countries in the decades immediately ahead is whether living standards and social improvements will go forward fast enough to keep discontent from erupting into extremist excesses or from being made use of by international communism for its own ruthless and imperialistic ends.

Operating Arms of U.S. Cooperative Policy

Chile

The United States is assisting in these efforts toward economic and social development. In addition to the significant contributions of private enterprise mentioned above, a cardinal point of our foreign policy toward Latin America in the past decade has been our participation in a program of wholehearted cooperation with the other American Republics to improve living standards by increasing production, bettering educational and health conditions, and diversifying economies. Improvement in these fields means stronger and more confident friends and practical and profitable economic relations between us.

The technical cooperation programs of our Institute of Inter-American Affairs in the fields of health, education, and agriculture were already 7 years old in Latin America when the Point Four Program was announced on a world-wide basis in 1949. The loan programs of the Export-Import Bank were begun in 1939 for the financing of industrial activities, transportation needs, high-

ways, and other vital aspects of national development. The World Bank has been operating since the war. Other activities have been carried on for many years in Latin America at the grass-roots level by such Government agencies as our Public Health Service and the Department of Agriculture. These are the principal operating arms of our policy of cooperation. I should like now to discuss some specific examples and results of our program of helping others to help themselves in this hemisphere.

One of the most interesting programs is in Chile; it has been planned by the extremely well-organized Chilean Development Corporation, an autonomous Government entity established for the specific purpose indicated in its name. The largest single loan to Chile by our Export-Import Bank—one of 58 million dollars—was for the construction of a steel mill near Concepción, the current production of which is about 300,000 tons of steel ingots per year. It has not only provided Chile with a nucleus around which a cluster of other industries is growing up but it has also produced an exportable surplus which helps Chile to balance her trade with neighboring countries. It also saves Chile about 15 million dollars a year in foreign exchange. Other loans were used for a rayon and staple fiber plant which has helped Chile build up its textile industry, a copper wire and fabricating plant, a tire plant, a cement plant, a ferro-manganese plant, and substantial loans for agricultural machinery to clear new arable acreage and mechanize Chilean agriculture.

The World Bank has granted an initial credit for the location of ground water resources of the Río Elquí Valley where the crop of over 50,000 acres fails 1 out of every 3 years for lack of water. The U.S. Bureau of Reclamation has assigned technicians to assist in this pilot project, which, if successful, will be extended and will relieve food shortages in the arid northern part of the country where there is mined the nitrate so important to our own agriculture.

One of the most valuable projects is the help being extended to Endesa, the Development Corporation's electric power affiliate, to which substantial loans have been granted by both the Export-Import Bank and the World Bank for increasing the generation of electric power for industrial production, rural electrification, and home consumption. As a result of cooperation between the Chilean Government, U.S. private capital, and the two Banks, the Santiago-Valparaiso region tripled its consumption of electric power between 1936 and 1951, with additional expansion now under way. When Endesa's present program with foreign aid is completed, consumption throughout Chile will have been increased by 1958 to six times the level of 1944 when the first Export-Import Bank loan was made for the hy-

droelectric plant which supplies the steel mill at Concepción.

With the encouragement, and assistance when necessary, of the U.S. Government, U.S. private capital has invested more than half a billion dollars in basic Chilean industries, producing more than 400,000 tons of copper per year and over a million tons of nitrate of soda, the two chief sources of dollar income for the country. In addition, U.S. firms engage in many other activities which increase the national wealth and provide employment.

The United States has been cooperating with Chile since 1943 in the improvement of health and sanitation standards. Assistance has been provided in the construction of sewerage and water supply systems, hospitals and sanatoriums, and health centers. These projects have helped Chile to establish an excellent public health system. Cooperation is now going on in the field of agriculture to help expand food production, improve the quality of crops, and eliminate dietary deficiencies. These activities are supplemented by hundreds of grants under which Chileans are brought to this country for training and which will, in the long run, increase technical efficiency and improve living standards.

Brazil

In Brazil, the most important development in our program of cooperation was the establishment last July of the Joint Commission for Economic Development.⁴ This Commission was the first of its kind and represented a new departure in economic cooperation between sovereign powers. Brazil and the United States each have named to this body, which sits in Rio, a commissioner, and there are subcommissions on technical aid, power, agriculture, mining, transportation, industry, and other functional aspects of Brazil's economic life. Our principal contribution is the furnishing of technicians.

The purpose of the binational Commission, which is strictly an action body, is, briefly, to draft an economic development program for Brazil and to help channel the tremendous economic potential of that great country, which is larger than the United States by another Texas, along sound and productive lines. Concrete results of the Commission's planning in the fields of electric energy and railroad rehabilitation—absolutely vital to Brazilian development—were apparent in the granting of 100 million dollars of loans, principally from the World Bank, to Brazil in June.

The outstanding example of our Export-Import Bank loan assistance is the Volta Redonda steel mill, which today has a capacity of 450,000 tons of steel ingots. This capacity is to be increased

to about 680,000 tons with the proceeds of an additional loan made last year. These loans bring the total of financial assistance to Brazil from the two Banks to 425 million dollars. Other programs of U.S. technical assistance have been under way for more than 10 years in Brazil in the fields of agriculture, health and sanitation, the exchange of students, et cetera.

Ecuador and Venezuela

In Ecuador, Export-Import Bank loans have been applied to waterworks projects in the capital and other cities, improvements on commercial airports, modern machinery for rice growing and food production, and highway equipment and rolling stock for the railroad which connects the capital with the coast. The cooperative agricultural experiment stations, jointly financed by Ecuador and the United States, are centers of investigation and extension work. Experimental campaigns against tuberculosis and other diseases have been started in Ecuador that may well set the pattern for similar work elsewhere in the world.

One of the most spectacular countries of the area is Venezuela, which is second only to the United States in oil production and has now replaced the United States as the world's leading exporter of that absolutely vital product. At the Bolívar coastal field alone on Lake Maracaibo, 4,000 wells in one concentrated area bring everyday into world commerce over 700,000 barrels of crude oil—more than the entire maximum production of Iran. The total Venezuelan production from all fields is at a rate of 1,700,000 barrels per day and could be readily expanded if the country so desired.

In Venezuela is offered a peculiarly fine example of the role which private enterprise can play in the development of a country. The economic cooperation involved in the utilization of Venezuela's incredibly rich natural resources, with the aid of private investment capital and technical know-how from the United States, has brought about an almost unparalleled record of economic and social advancement. In contributing to this development, U.S. businessmen have invested 2.5 billion dollars in Venezuela, a larger figure than in any other foreign country except Canada.

It has been Venezuela's policy to welcome the investment of foreign capital on a mutually advantageous basis. The working relationship between the Venezuelan Government and the foreign oil companies—based on a 50-50 tax formula—is an example for the world and offers a record of great benefit to both parties.

Venezuela has made use of its mounting oil income to build roads, hospitals, and other public works, and to promote agricultural development, education, and public health projects. The people are receiving the benefit of the country's incalculable resources.

The report of the President's Materials Policy

⁴For announcement of agreement establishing this Commission, see *ibid.*, Jan. 1, 1951, p. 25; formal installation of the agreement occurred on July 19, 1951.

Commission, in paying tribute to Venezuela's enlightened development program, concluded,

The Venezuelan case, accordingly, illustrates one point of overriding importance and significance. The social benefits—the rising standard of living, the industrial growth, the improvement of agriculture, education, and public health—have not stemmed automatically from the vast income that oil operations have produced. These benefits have come from the will to spend this income in socially valuable ways. The Venezuelan Government, in its determination to “sow the petroleum”, and the Venezuelan people in supporting this policy have set a worthy example for all others and have set the most persuasive example of all—success.

Peru and Colombia

Our program of technical cooperation in Peru is one of our oldest and most successful; it is veritably a model program which is pointed to with great pride by Peruvians and Americans alike. In the field of agriculture, programs cover research throughout the Peruvian Amazon Basin, operation of an extension service, insect and pest control campaigns, farm irrigation, soil conservation, livestock demonstration and breeding farms, operation of a machinery pool, and so on. The health, welfare, and housing programs include operation of health centers, hospitals, dispensaries and posts in the jungle, an industrial hygiene program, yellow fever control, nutrition program, and vital statistics assistance. The effects of the cooperative education program are nation-wide.

In addition, Peruvian technicians are coming to the United States in large numbers to receive specialized training which will equip them for more responsible positions on their return to Peru. It is perhaps worthy of note here that Peru itself bears the largest part of the expense of this program of technical cooperation, as do other countries which participate in this type of program. Peru contributes at a rate greater than 3 to 1 to the amount of the United States share.

This enlightened self-interest on the part of Peru is also evident in the economic and financial reforms which have been instituted in the past few years. The new Peruvian mining code and a recently promulgated petroleum law have been widely acclaimed as just and reasonable legislation, both to insure the protection of Peru's resources for the welfare of Peru's people and to attract the huge amounts of investment capital necessary to finance such development. The elimination of import restrictions and virtual abolition of all exchange controls have proved highly beneficial to the national economy.

In that connection, I should like to take this opportunity to pay tribute here in Palo Alto to the work of Julius Klein, former Assistant Secretary of Commerce, who for several years has headed the Klein Mission in Peru. A wise counselor and helpful friend to Peru, Mr. Klein is an example of the citizens of this country of highest caliber who are taking part in cooperative en-

deavors with the governments of Latin America.

One of the best examples of a comprehensive and integrated program for nation-wide development is offered in the case of Colombia. In 1949-50 the World Bank sponsored the Currie Economic Mission to Colombia to formulate a development program. The analyses and recommendations of this mission covered all phases of national development—agriculture, industry, transportation, power, public health, housing, public finance, and fiscal policy, etc., and led to the establishment by the Government of Colombia of an Economic Development Commission. That Commission is now operating actively and effectively in implementation of the proposed program, most of which is planned for execution over the 5-year period, 1951-55.

An important contribution to the physical and social betterment of Colombia by our technical-assistance program is the national school of nursing, established in 1943 with the collaboration of the Rockefeller Foundation, and now considered one of the best in all Latin America. An interesting example of the self-help nature of the Point Four Program is that at the beginning of the cooperative health and sanitation program in 1942 in Colombia, the United States bore 63 percent of its cost whereas our share of the cost is now only 10 percent.

Nationalistic Pressures in Latin America

The social discontent and ferment mentioned earlier in these remarks as characteristic of Latin American life today often result in pressures which directly affect the orderly and sound development of national economies. In this connection, it is undeniable that the siren song of extreme nationalism, as distinguished from the love of one's homeland by the true patriot, exerts potent influence in Latin America today. In the unsettled social conditions of today this type of nationalism has in many cases become interwoven with the urge for social and economic betterment, and its adherents associate the former dominance of foreign companies with the period of static economic life. It is but a short step to the charge that all foreign investment comes but to exploit and that the country's riches must be guarded at all costs against the “colonial-minded” foreigner—even at the cost of not having them developed at all. This doctrine is attractive for demagogic purposes; it also offers an excellent opportunity for the Communists to combine with extreme nationalists to exploit and organize nationalistic aspirations into political pressures. The tragedy of extreme nationalism is that its practices close the door to outside help through unrealistic laws and retard the very economic development which it professes to promote. Naturally, such happenings do not bring unhappiness to the Communists and often serve their disruptive ends.

In approaching the subject of economic development we have consistently stressed to our Latin American friends that the rate of their economic growth must depend primarily on their own efforts. Our Secretary of State has aptly remarked that U.S. assistance can only be effective when it is the one missing component of a situation otherwise favorable to economic and political progress. In sum, if the Latin American countries have the will to adopt the necessary internal measures and to create a favorable climate for investment, then the United States is ready to extend desired assistance in economic development.

For the United States alone cannot and should not determine the state of relations between it and another country. It takes two to make relations. Cooperation should beget cooperation, and there is no substitute for mutual understanding and mutual respect. Good relations are a joint responsibility and there is reciprocity in obligations.

I have discussed in some detail this evening the various aspects, both public and private, of this country's cooperation programs with our neighbors in the other American Republics. I have discussed these programs in a desire to emphasize their permanent and continuing nature, in contrast to the emergency nature of many of our activ-

ities in Asia and Europe which are necessarily directed against immediate and specific threats to our national security and, incidentally, to the security of Latin America. I have sought to show that, notwithstanding the clear and present dangers on the farther international horizons, our peaceful cooperation toward a better life in this hemisphere has not been merely maintained but greatly increased and intensified in recent years. And I would urge on those who tend to take a pessimistic view of the present a sense of historical perspective. George Kennan, our Ambassador to Moscow, has cautioned that there is in the field of foreign affairs generally a great time lag between cause and effect in major developments. In almost any direction, we may look back in Latin America no farther than 20 or 25 years and compare those times with today to note the great strides made and the genuine improvement in the relations between the United States and the other republics with which we share this hemisphere.

Let us continue to build and strengthen this great structure of pan-Americanism on which such labor and devotion has been lavished through the years since Simón Bolívar dreamed his dream. Let us go forward in community of spirit and unity of purpose.

Defense Sites Negotiations Between the United States and Panama, 1936-1948

by Almon R. Wright

In the autumn of 1933 the President of Panama, Harmodio Arias, arrived in Washington to lay before President Franklin D. Roosevelt an outline of grievances and a list of remedial measures that would bring prosperity to Panama. President Roosevelt agreed to consider what could be done for the Isthmian Republic.

The Panamanian President formulated his agenda in 21 points based upon the principle of administering the Canal Zone for the purpose of operating and protecting the Canal. Upon the foundation of this formula and of other principles, diplomats of the two countries began negotiations culminating in a series of conventions, signed on March 2, 1936,¹ which considerably altered the relations established by the original convention of 1903.

¹ For summaries of these conventions, see BULLETIN of July 29, 1939, pp. 83-85 and 89.

A bilateral approach to problems concerning the Canal displaced many of the older grants of one party to the other. Thus the United States renounced its obligation to guarantee the independence of Panama. It relinquished Panama's grant, made in perpetuity, of the

use, occupation, and control of lands and waters in addition to those already under the jurisdiction of the United States of America outside of the zone . . . which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the Panama Canal or . . . other works.

On the other hand, Panama joined the United States as a partner to insure to both countries and to all the world the benefits of the Canal. In the event of an unforeseen contingency, the two countries were to consult together and agree upon such measures as might be necessary to protect it.

Some Washington officials feared that these

renunciations withdrew from the United States the authority necessary to maintain and protect the great water highway. The need for additional lands and waters, however, appeared remote in 1936, for statistics indicated that the capacity of the locks and of the water supply was by no means being entirely used. Moreover, the new agreement did not annul the provision of the 1903 convention which permitted the use of lakes and rivers for purposes of water power, navigation, or water supply. Some apprehensions also existed that in a sudden emergency the United States might find its hands tied by the necessity of obtaining Panama's consent for military measures. Officials of the Department of State felt that Panama had already given consent for such measures when it obligated itself to cooperate to protect the Canal. To allay any fears on this matter, representatives of the two countries expressed their understanding, in notes exchanged in 1939, that the United States need not await the results of consultation if a military emergency arose.

In two other renunciations, the United States indicated its confidence in the stability and cooperative spirit of the Panamanian Government. The right to intervene in the cities of Colón and Panama and their surrounding territories to preserve order rested, according to the terms of the 1903 convention, upon the unilateral judgment of the American authorities. This prerogative now seemed unnecessary, and a renunciation of it accorded with the Convention on Rights and Duties of States adopted at the Conference of American States in 1933. Among the provisions of that agreement, which was endorsed by the U. S. delegation, was the following: "No state has the right to intervene in the internal or external affairs of another."

Upon the basis of Panamanian cooperation rested the willingness of the American negotiators to yield the right, conferred by the first convention, of acquiring property from individuals through the exercise of eminent domain. It was believed that, should the owners refuse to sell property, Panama was under obligation to obtain it through this method. Thus, from the formula that President Arias advanced in 1933, that the Canal Zone should be administered primarily to operate and protect the Canal, evolved the renunciations of the 1936 convention: namely, the right to acquire lands and waters outside of the Zone, the guaranty of Panamanian independence, the right to intervene to preserve order in Colón and Panama City, and the use of eminent domain to acquire property.

The General Convention of 1936 was supplemented by two special conventions dealing with radio, since Panama was dissatisfied with the unilateral character of the existing controls. The 1936 agreement substituted cooperative arrangements in the assignment of wave frequencies and

in licensing radio stations, operators, and imports of certain essential equipment. The United States was to continue to handle communications involving the operation and defense of the Canal, but it agreed to a joint control, through the Radio Boards of each country, when the security of the Republic or of the Canal Zone was threatened. The transfer of the two Navy radio stations was provided in the second of these two special conventions.

The bilateral approach was also apparent in the fourth of the conventions signed in 1936. According to its terms, which were subjected to much modification subsequently, a new highway was to be built across the Isthmus. A large part of it was to lie outside the Canal Zone and was to be constructed by the United States at Panama's expense.

Progress of the Conventions in the U.S. Senate

After the four conventions were signed, they were submitted to the Panamanian Assembly and the U. S. Senate for consideration. A decade earlier the latter had approved a new treaty only to have it rejected by the Assembly. This time, the Panamanian legislative body indicated its approval promptly and the Senate of the United States deliberated at much greater length. The Committee on Foreign Relations conducted extensive hearings, particularly on the effect of the agreement on the Canal defenses. The War and Navy Departments had reservations about the provisions that abrogated the right of the United States to maintain order, that appeared to infringe upon the supplying of the Armed Forces, and that restricted the facility in obtaining additional land and water rights and in exercising control over them. The committee satisfied itself, however, that the agreements would not impair the power to defend the Canal and recommended them.

The Senate consented to the ratification of the General Convention and the convention on highway building in August 1939, less than a month before war came to Europe. It failed to approve the agreement on radio control. The agreement on the transfer of the two radio stations was not ratified by the President.

In 1940 and 1941, reports of the activities of a Nazi clique in Panama and the possibility of attack by large numbers of aircraft led the United States to seek new defensive positions from which an attack on the Canal might be defeated. In the first phase of the war, the Germans employed two methods of warfare which had an important bearing upon the defense of the Canal. The first was the use of "fifth columns" to weaken or even bring realignment of policy within a country; the second was the commitment of masses of airplanes to deliver, at the outset of war, knockout blows against enemy air strength and strategic points.

The fear of a "fifth column" was intensified

after a new administration took office in Panama in June 1940. Among the official associates of President Arnulfo Arias (brother of ex-President Harmodio Arias) were a number of individuals who were reported to be sympathetic with the Nazi cause. The administration's treatment of the Panamanian press led to further speculation and suspicion. The pro-Allied editor of one newspaper was deported; a columnist critical of dictators was dismissed from the staff of another. A third paper, openly pro-Nazi, was reportedly printed by the presses of the administration party. The official position of the administration was proclaimed as one of neutrality, but the local Axis legations were said to control the handling of mail. When the anti-Jewish policy was in full swing in Germany, there was an increase in the German population of the Isthmus which could not be attributed entirely to an influx of refugees. German and Italian nationals were able to obtain provisional naturalization with ease, and they enjoyed the protection of citizenship while under no obligation to complete the naturalizing process.

U.S. Invokes Provisions of 1936 Convention

In view of this situation, the United States found it necessary to request of Panama the cooperation in defending the Canal which was stipulated in the convention of 1936. The threat of air attack required new lands in Panama for the defense of the Canal, in addition to those already in the hands of the United States.

A large tract, the Rio Hato area, had previously been leased by the American Army from a private agricultural firm and a large air base was being built there when, in October 1940, Ambassador William Dawson initiated negotiations to take over 71 additional defense sites. These sites fell into five categories, of which four were directly concerned with air warfare and the fifth with highway connections among the other four. In the first group were the emergency landing fields—temporary runways that could be maintained by civilian labor. The second group consisted of auxiliary landing fields manned by small groups of military personnel and provided with readily expansible equipment. Mechanical aircraft-warning stations at points somewhat more distant from the Canal Zone made up the third group of defense sites. The fourth group of sites, comprising nearly half of the area desired, were small plots of ground for searchlights.

Ambassador Dawson's presentation of the problem early in November 1940 was not favorably received. President Arias pointed out that the establishment of many dispersed sites would create military objectives throughout the Republic subject to bombardment by an enemy. The connecting of the sites by military highways would

not be a blessing, he asserted, for these would multiply the problems of controlling smuggling. He suggested that the leases extend only for the period of a presidential term and that Panama retain criminal jurisdiction over persons on the sites with the exception of military personnel.

Panama Requests Extensive Concessions

Several weeks later the Panamanian Minister of Foreign Relations began conversations on a long series of proposed additional conditions. He stipulated the details as to the location of the connecting roads, their construction specifications, and their unrestricted use by Panamanians. In the descriptions of the size of peacetime garrisons for the defense sites, he rejected the word "approximately" and substituted "maximum." To initiate on-the-ground proceedings, he proposed the creation of a mixed commission to investigate the titles to the sites, produce studies, take photographs, and make recommendations. Finally, he indicated that monetary compensation must be given priority of discussion over other considerations.

Other matters were actually taken up, however, before the rental rate was fixed. At Washington, in January 1941, Ambassador Carlos N. Brin presented a formidable list of 12 public works projects and other concessions which Panama requested as compensation. The item calling for the transfer of the water and sewer system of Colón and Panama City to Panama presented many complications, for it involved consideration of such matters as water rates, amortization charges, street maintenance, and repair costs. Panama also wanted the Panama Railroad Company to turn over any properties not directly concerned with the operation of the Canal and railroad, and to arrange to move its railroad station in Panama City to another site so as to permit the beautification of the city. Ambassador Brin proposed two other public works projects: a bridge across or a tunnel under the Canal to eliminate dependence upon the ferry service, and a military road, financed by the United States, to connect Chorrera and the base at Rio Hato.

The Ambassador's list included items in the public utilities field: recourse to electric power from the surplus produced from the Alhajuela Dam at the rate of one cent per kilowatt hour, and aid in locating gasoline and oil tanks near Balboa. Panama renewed its request that the Jamaican laborers and their families be repatriated and that no further immigration of these people of the Negro race be permitted.

President Arias, recalling, perhaps, the success of his brother's direct approach to President Roosevelt in 1933, and perhaps his own meeting with him on board the U. S. S. *Tuscaloosa* as it passed through the Canal in 1940, had instructed Ambassador Brin to carry his appeal directly to

President Roosevelt. The Ambassador was received instead by Under Secretary Sumner Welles, who conveyed to him the attitude of the President. The latter held: first, that, in view of the explicit obligations of the 1936 convention, Panama should turn over the necessary sites to the Canal Zone authorities; second, that these defense areas should be transferred speedily because the world situation was grave; and third, that when Panama had complied, the United States would then be willing to consider the Ambassador's proposals. The Under Secretary observed that an intolerable situation would arise if every new Panamanian administration demanded new and expensive concessions as a price for observing its treaty obligations. He rejected the Panamanian contention that the additional proposals were to be regarded as compensation for the defense sites.

In Panama during those first weeks of 1941, while Ambassador Dawson used every opportunity to emphasize the need for a speedy agreement, his efforts were none too successful. On March 6 President Arias announced that the American Army authorities were empowered to begin construction on one of the defense sites. He stated further that these sites would be turned over for the duration of the European conflict only, and that they would be evacuated upon its termination.

The announcement was made without the knowledge (much less the agreement) of the American Ambassador. Nevertheless, the military authorities accepted the statement as sufficient justification for immediate utilization of the sites. The occupation was accomplished by April 3, but it was then too late for the Army to make much headway on construction before the start of the rainy season.

Direct Negotiations Between the U.S. and Panama

To the Government at Washington the all-important consideration was the strengthening of the Canal defenses as speedily as possible. Hence, after the Army was in a position to install the warning stations and searchlight batteries and to build the airfields, negotiations on Panama's demands proceeded without the pressure of military necessity. In May, Ambassador Brin was informed that the United States was willing to transfer the water and sewer systems of Colón and Panama City and to supply water at the Zone boundary, provided Panama would agree to maintain existing sanitary standards and continue the payments on the unamortized part of the original cost of the installations. Further, the United States would transfer those lands of the Panama Railroad Company not needed for the operation of the Canal and railroad and move its railroad station in Panama City to a new site. On the other hand, it was made clear that these concessions were contingent upon the conclusion of a sat-

isfactory arrangement on the tenure and jurisdiction over the new defense sites.

In reply to these proposals, Panama launched a counter program and dispatched its Minister of Foreign Relations, Raúl de Roux, to Washington to undertake negotiations with Under Secretary Welles and to discuss with him the whole field of United States-Panama relations.

Minister de Roux invoked article 10 of the 1936 convention, which called for consultation between the two countries in the event of an international conflagration or threat of one. On the other hand, he rejected as inapplicable article 2 of that treaty under which Panama agreed to join the United States in taking measures to protect the Canal if an unforeseen contingency arose. A second major difference of opinion concerned the termination date of the Army's occupation of the defense sites. De Roux reiterated the position of his chief that the sites should revert to Panama when the European conflagration was brought to a close, but Welles argued—prophetically—that “a treaty of peace theoretically ending the present ‘European conflagration’ might not mean the removal of the danger. . . .” The Under Secretary was not in a position to accept the Panamanian proposals to limit the size of American garrisons or to allow Panamanian nationals to use the auxiliary airfields.

The Minister suggested that the United States pay a rental for the occupied areas computed on the basis of \$4,000 a hectare annually. At first officials of the Department of State found it difficult to believe that this was a serious proposal; they thought the sum of \$4,000 had been stipulated through error. At this rate, the Rio Hato area would have cost the United States \$30,000,000 annually, whereas the Army was then paying the owner \$2,400 annually and held an option to purchase the tract for \$140,000.

On these issues—the applicability of the 1936 convention, the termination date of the occupation of the sites, the size of the garrisons, the use of the airfields, and the amount of rental—there was to be no meeting of minds with the Panamanian administration then in office.

The Panamanian Minister included on his agenda discussions not only of these military projects but also of the 12 additional projects that Ambassador Brin had presented. He claimed that the payments made by Panamanians for the water they had consumed had also covered the construction costs of the water and sewer systems. Therefore, he contended, these systems should be transferred to Panama, without any liability for amortization charges. To Welles' suggestion that a study of this matter be made from the accounting books of the Canal Zone, he replied that such a step would require too much time. De Roux advanced a coupon-and-tax plan to limit the clientele of the commissaries and to equalize prices. Welles

contended that the method of hearing complaints, as prescribed in the General Convention of 1936, should be given a trial. The Panamanian replied that this method was not feasible because of the great number of contraband cases.

Breakdown of Negotiations

When it was apparent that little progress was to be expected in the negotiations, the official Panamanian Government newspaper published a pessimistic commentary by President Arias. He expressed a hope for President Roosevelt's intervention in the negotiations. A few days later, in a final conference with de Roux, Welles, with a fresh authorization from the President, said to the Minister:

I have received from President Roosevelt a personal commission to express categorically to the Government of Panama . . . that the President has from the beginning been informed of the nature of the present conversations . . . and that the views which I have expressed or will express fully represent those of the President.

The Under Secretary was just about to present the concessions that his Government was ready to offer when, unexpectedly, the Panamanian Minister announced that he had decided to leave Washington the following day.

The Minister did not, however, intend his abrupt departure to terminate the negotiations with the United States. He appears to have contemplated a resumption of conversations with the American Ambassador in Panama and a continued effort by Ambassador Brin in Washington to reach an agreement. Further negotiations did take place, but no substantial progress was made during the period of the Arias regime.

The stalemate was broken when Ricardo Adolfo de la Guardia became President on October 1, 1941. There were rumors that the United States had exerted pressure in the Panamanian elections, in view of the trend of the negotiations, but Secretary of State Cordell Hull issued a statement deploring such reports. "I state clearly and categorically for the record," he said, "that the United States Government has had no connection, direct or indirect, with the recent governmental changes in the Republic of Panama."²

The new President announced his willingness to collaborate with the United States, but the final terms of agreement were not announced for 7 months after his elevation to power.³ Although President de la Guardia, like his predecessor, opposed a reference to the mutual obligation of the two countries to defend the Canal, as set forth in article 2 of the 1936 convention, the delay in concluding the negotiations was not due to any major differences of opinion.

² BULLETIN of Oct. 18, 1941, p. 293.

³ For text of this agreement, see *ibid.*, May 23, 1942, pp. 448-452.

The problem of determining the date on which the occupation of defense sites was to cease was solved by adoption of a formula whereby tenure would terminate one year after the definitive treaty of peace was signed. Panama yielded to the Army's needs concerning the airfields and jurisdiction over civilian and military personnel. The highway construction was left to military authorities, but the responsibility for maintenance was laid upon Panama with sustaining U.S. help to the extent of one-third of the cost. The two countries agreed upon a rental of \$50 a hectare for the defense sites, excepting Rio Hato. This tract was treated separately, and the rental fixed for it was a flat \$10,000 a year.

Although Minister de Roux had hastened his departure from Washington presumably because he felt he had failed to achieve his objectives in his conversations with Under Secretary Welles, in reality he had succeeded better than he realized at the time. In the final terms of agreement on the 12 projects considered, the United States accepted most of Panama's requests. Under Secretary Welles agreed to all Panama's proposals regarding the sewer and water system of Colón and Panama City. These properties, together with the properties of the Panama Railroad Company not needed in the operation of the Canal and railroad, were transferred free of cost. The Under Secretary also favored the liquidation of the loan of \$2,500,000, obtained by Panama from the Export-Import Bank for the Chorrera-Rio Hato Highway. These three provisions involving the transfer of U.S. property were, of course, agreed upon subject to the approval of the U.S. Congress.

Two other concessions to Panama were prospective in character: construction of the bridge or tunnel to traverse the Canal would not be undertaken until the end of the war, and the moving of the railroad station would have to be delayed until Panama provided another convenient site.

De Roux's requests concerning electric power and fuel tanks were also settled to the advantage of Panama. On the other hand, the United States could not meet completely his demands to repatriate the West Indian laborers and to refrain from introducing laborers of races which the Panamanian Constitution held to be objectionable. However, the United States did agree to fill its labor needs in Panama, as far as practicable, with persons whose immigration was permitted by the Panamanian Government and to forbid the movement from the Canal Zone into Panama of those not legally qualified to enter.

The agreement embodying these provisions was written as an exchange of notes, not as a treaty or convention. When the provisions calling for transfer of U.S. property were presented to the Congress for approval, there were criticisms not only of substantive matters but also of the use of an executive agreement—not requiring Senate approval—instead of a treaty or convention.

The clauses transferring the water and sewer system were subjected to close scrutiny, since there was the possibility that the standards of sanitation might be lowered at a time when thousands of American soldiers were passing through the Canal. Already under consideration was a type of management contract leaving the ownership of the water and sewer system with Panama but placing its operation in the hands of American authorities.

Supplemental Conversations

The defense sites negotiation was supplemented by conversations on closely related problems. The employment policies of the Canal authorities had been the subject of frequent diplomatic interchange. In the hiring of laborers and technical personnel for the Canal, there were always two somewhat conflicting considerations: the necessity of obtaining efficient labor and competent skilled workers, and the desirability of employing as many Panamanians as feasible. The greatly expanded construction activity that followed the outbreak of the war in Europe accentuated the problem. It was further complicated by Congressional stipulation, in connection with financial appropriations, that skilled positions be filled by American citizens only. To Panamanians, particularly, this action appeared discriminatory and contrary to the spirit and letter of the 1936 treaty. It was, therefore, necessary to choose between organized labor's demands that Americans have first chance at jobs in the Canal area and adherence to a commitment embodied in the note of agreement exchanged with Panama in 1936. President Roosevelt in February 1940 asserted his determination to uphold the latter, and pending legislation was modified to that effect.

Early in 1940 the War Department was confronted with the problem of recruiting sufficient labor for a third set of locks, three highway projects, and other defense works. The need could not possibly be met from the Isthmus, and hence an arrangement was made with the United Kingdom to introduce several thousand laborers from Jamaica. Although assurances were given that these laborers would be housed in the Canal Zone and would be repatriated upon discharge, the spokesmen for Panama expressed profound surprise and disappointment. They said they had been given to understand that recruitment of Jamaicans would not be necessary.

In view of President Roosevelt's desire to respect Panama's ethnic sensibilities, efforts were made to recruit laborers from other countries including Puerto Rico, Colombia, Costa Rica, and Cuba. But this recruiting was not very successful. It was, therefore, found necessary to import Jamaicans.

During the war period, questions relating to

employment of Panamanians and Jamaicans were subordinated to the necessities of the times. When the Japanese struck at Pearl Harbor, Panama extended full cooperation by rounding up German, Italian, and Japanese aliens; declared war upon the enemies of the United States; and collaborated with the U.S. Navy in establishing censorship of postal and cable communications.

The cooperative approach to common problems offered some difficulty in the aviation field. Much of the regulation of aircraft in the Canal area was under the authority of a joint Aviation Board. Panama altered the Board's composition from a membership of three from each country to one in which Panama would have a majority. In effecting the change, the Arias government denounced, on June 3, 1941, the 1929 agreement with the United States under which the Board had been organized. In reply to a message urging a continuation of friendly consultation, the Panamanian authorities observed that the naming of an American citizen to the Board was unconstitutional. They suggested the creation of an all-Panamanian administrative board and a mixed commission with membership from both countries, but with recommendation powers only. Since there was little hope of reconciling the divergent views held by the two countries, the American Ambassador allowed the question to subside. Later, under the De la Guardia regime, Panama adopted the air traffic rules of the United States and permitted American military planes to use the national airport at Punta Paitilla.

Panamanian opposition to control of Isthmian commercial aviation by Canal Zone authorities was not limited, however, to the Arias government. Courts of the Republic in 1939 and again in 1944 upheld the theory of Panamanian sovereignty in the air and the doctrine that commercial aviation was not connected with operation and defense of the Canal. The successors of Arias were interested in promoting a new national airport for Panama and in developing trained personnel to manage and operate commercial planes. The United States encouraged these objectives and provided scholarships which enabled qualified students to obtain schooling in American universities and technical institutions.

Re-emergence of Defense Sites Problem

With the end of hostilities in Europe and the Far East, the defense sites problem came more sharply into focus. U.S. military authorities had pursued a policy of releasing the sites when they were no longer useful. At the time of the Japanese surrender, 55 of these sites on which the United States had made improvements valued at a total of about \$400,000 had been returned to Panama. By July 1947, when a new agreement

seemed to be forthcoming, 98 sites had been returned and only 36 remained in U.S. hands.

On October 31, 1945, the Constitutional Assembly summoned the Minister of Foreign Relations, Ricardo Alfaro, to appear before it and provide information regarding the termination of American occupation of the sites. Alfaro interpreted the words "one year after the signing of the definitive treaty of peace," which was the stipulation on this point in the 1942 agreement, to mean one year after the signing of the Japanese surrender document on the U.S.S. *Missouri*. This was not an interpretation to which the United States could subscribe, and it was one which had been rejected by Under Secretary Welles during the negotiations in 1941 and 1942. On June 4, 1941, Welles had informed the Foreign Minister that the sites were requested "for the period which the United States considers them indispensable for the protection of the Canal and . . . they will revert to Panama when the present emergency is past." At no time did the United States regard the military surrender as a "definitive" peace treaty. In the Isthmian Republic, however, the Alfaro interpretation gained credence, so that on September 2, 1946, the General Assembly unanimously resolved that the sites should be returned since the term of occupation had expired.

In the meantime, negotiators of the two countries had begun a series of conversations which were not concluded until an agreement was signed on December 10, 1947. From the outset there had been a tacit understanding that defense of the Canal required U.S. retention of some of the sites, but differences of opinion had developed not only on the date of terminating the occupation but also on nearly every other consideration pertaining to the general question. The initial position of Panama, as conveyed in October 1946, contemplated a declaration that the 1942 agreement was no longer in effect and provisions for joint operation of the sites, for retention by Panama of sovereignty and jurisdiction, for maintenance of the 1942 rent level, and for a tenure of one year subject to renewal.

Although the Panamanians contended that a new agreement should declare the termination of the old one, the American Ambassador refused to acquiesce, and in the draft treaty of 1947 no mention was made of the 1942 pact. Various forms of joint control of the sites were discussed, but the War Department was adamant on the proposition that defense of the Canal must not rest upon divided authority and responsibility. The 1936 convention had been specific regarding the joint responsibility of the two countries to protect the Canal.

Actually, Panama did not appear to question practical U.S. military authority over the sites but was apparently seeking a legal basis of joint authority. In reaching an agreement on this question, the negotiators provided for a joint commis-

sion to consult on the use of the sites, while at the same time leaving full military, technical, and economic responsibility with the United States. Panama's contention that it should participate in deciding which sites were to be continued and which dismantled was resolved by the attachment to the agreement of a list in which each site was described and the length of occupation stipulated. Panama's sovereignty over the sites and the air space above them and its jurisdiction in civil and criminal cases were affirmed, but at the same time the negotiators agreed that the United States should exercise jurisdiction over its own civilian and military personnel and over cases, excepting those involving Panamanians, where security of the Canal was involved.

Future Occupation of the Defense Sites

A wide gap appeared between the opinions of representatives of the two countries as to the length of future occupation of the sites. The U.S. military authorities preferred long-term leases, particularly for the Rio Hato area, where they contemplated the erection of permanent buildings. On the one hand, therefore, the United States was proposing a 30-year maximum and 10-year minimum tenure, while Panama would have limited tenure to 10 years with a minimum of 2 or 3 years, the maximum in both cases applying to the Rio Hato area. The final compromise specified 10 years for the occupation of this largest of the sites, subject to renewal, and 5 years for the remaining 12 sites.

The military authorities were willing to pay for these areas an annual rental of up to \$50 a hectare, except for the two large sites, Rio Hato and San José. The Panamanian negotiators, however, contended that there was no reason to differentiate between sites. The Rio Hato site had cost the United States \$10,000 a year under the existing arrangement; under the Panamanian formula the cost would have been \$350,000 annually. The two parties settled the problem by establishing three rates: one for the Rio Hato, \$10,750 annually; one for the San José site, \$15,000; and one for the remaining sites, \$17,250. In addition to this sum of \$43,000 for rent, the United States was to pay \$137,500 as its share in maintaining the roads used by the military forces.

In previous negotiations of this type, Panama had presented a list of economic grievances that the United States was asked to correct and benefits to be conceded. In this instance, Foreign Minister Alfaro was not disposed to associate the economic needs of his country with the defense question. During his absence in February 1947, however, the Acting Foreign Minister suggested that Panama's obligation to help defend the Canal should be balanced by a U.S. guaranty to provide commercial advantages. Specifically, he wanted the United States to build the highway to the Costa

Rican border, transfer a hospital and a dock, and return Paitilla Point airport. The Department of State did not reject these suggestions outright, but it did indicate that no conversations would be held on these matters until the defense-sites question was settled.

Panamanian Reaction to the Final Agreement

The continued occupation of any defense sites by U.S. forces was vigorously opposed in Panama many months before the signing of the agreement on December 10, 1947. Powerful newspaper criticism developed, and hostility toward the settlement appeared even within the President's official family. Foreign Minister Alfaro, responsible for much of the negotiation, turned against the agreement the day before it was signed. The Acting Minister of Foreign Relations, who was favorably inclined toward the agreement, marched with police support upon the University in an unsuccessful attempt to arrest an offending radio broadcaster. Student agitation against the agreement increased to the point of violence, and idlers and Communist agitators assisted in further attempts at intimidation.

It was therefore in an atmosphere of extreme tension that the Panamanian Assembly in December 1947 came to deliberate on the defense-sites agreement. A committee studied the document and brought in a favorable report, subject to amendments that altered the provisions on criminal and civil jurisdiction, tax exemption, and duration of the occupation of Rio Hato and included a stipulation terminating the 1942 defense-sites agreement. But these reservations, which should have dissolved most of the opposition in the Assembly, had no such effect. A last-minute indication by the Department of State that it was ready to discuss economic aid to Panama likewise had no effect. Students and other demonstrators were allowed to crowd into the legislative chamber. When the President of the Assembly referred to the demonstrators as "ten thousand boys with knives," the legislators sought police protection. It was under these circumstances that a roll call on the defense-sites agreement was taken. It was unanimously decided to reject the agreement.

By mid-January 1948, all but two of the defense sites had been evacuated. More time was necessary for withdrawal from the Rio Hato and the San José Island areas but by mid-February this too was completed. The announcement of this fact by the two Governments⁴ brought to a close a chapter—alternately pacific and turbulent—in the relations between the United States and Panama.

•*Mr. Wright, author of the above article is a historian in the Division of Historical Policy Research.*

⁴ *Ibid.*, Mar. 7, 1948, pp. 317-318.

First Meeting of Anzus Council

Statement by Secretary Acheson¹

I am leaving today for the first meeting of the ANZUS Council in Honolulu, which will be attended also by the Ministers for External Affairs from Australia and New Zealand. The principal purpose of this meeting is to consider matters concerning the implementation of the ANZUS Treaty to which our three countries are parties and which provided for the establishment of this Council. Our common interests and relationships in the Pacific will be reviewed and arrangements for future meetings will be discussed.

It should be emphasized again that the ANZUS Treaty is one more step in our continuing efforts to strengthen the peace in the Pacific and in the world. It is significant, I believe, that the treaty opens with a reaffirmation of faith by Australia, New Zealand, and the United States, in the "purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all Governments." Our discussions at Honolulu will be undertaken and carried out in that spirit.

Press Conference Statement by Secretary Acheson

Press release 595 dated July 30

I can give you a few details of this forthcoming trip to the Hawaiian Islands. The delegation will leave Washington on the morning of next Friday, August 1 and expects to arrive in San Francisco during the afternoon. We expect to take off again on Saturday morning and arrive in Honolulu Saturday afternoon. That will get us there about 24 hours before the first meeting of the Conference which is to be held on Monday, August 4.

We hope that it will be possible for us to start back again on Friday, August 8, with the expectation of reaching Washington on the afternoon of August 9—Saturday, the 9th.

The principal advisers who will be with me at the Conference will be Ambassador at Large Jessup; Admiral Arthur William Radford, Commander in Chief in the Pacific, who will be the chief military adviser; George Perkins, Assistant Secretary for European Affairs; and John M. Allison, Assistant Secretary for Far Eastern Affairs.

The principal work of this Conference will be to reach agreement on the organization of the Council and the functions of the Council. We will take up various political and military matters affecting our common relationships in the Pacific. We think that the result of this first meeting ought to be to set up an organization which will provide

¹ Made at the Washington National Airport on Aug. 1 and released to the press (No. 607) on the same date.

an opportunity for closer and more effective government-to-government relations with our Australian and New Zealand friends. Of course all of this is in the framework of the treaty which refers to these efforts as "efforts for collective defense for the preserving of peace and security pending development of a more comprehensive system of regional security in the Pacific area."

U.S. Delegation

The first meeting of the Council created by the Security Treaty between Australia, New Zealand, and the United States, which entered into force on April 29, 1952, will convene at Kanohe, Oahu, Territory of Hawaii, on August 4, 1952. The U.S. delegation to this meeting is as follows:

Dean Acheson, Secretary of State
Philip C. Jessup, Ambassador at Large
John M. Allison, Assistant Secretary of State for Far Eastern Affairs
George W. Perkins, Assistant Secretary of State for European Affairs
Admiral Arthur W. Radford, U.S.N., Commander in Chief, Pacific and U.S. Pacific Fleet
John K. Emmerson, Planning Adviser, Bureau of Far Eastern Affairs, Department of State
Andrew B. Foster, Deputy Director, Office of British Commonwealth and Northern European Affairs, Department of State

It is expected that this meeting will be primarily devoted to matters regarding the organization and functions of the Council. In addition, representatives of the three signatory powers will review matters affecting their common relationships in the Pacific area.

Warren Kelchner, who recently retired as chief of the Division of International Conferences, Department of State, has been designated as Secretary General of the meeting.

Death of Senator Brien McMahon

Statement by Secretary Acheson

Press release 591 dated July 28

I am deeply grieved and shocked at the death of Senator Brien McMahon and mourn the loss of a close friend and colleague. His fellow countrymen have long benefited from his valued and important contributions to the strength and welfare of our Nation and its institutions.

Senator McMahon's forward looking recommendations and activities in the field of atomic energy, in which he specialized, have done much to insure the preeminent place of our Nation today in all aspects of atomic energy development.

All of us in the State Department know the major role that he has played in furthering our foreign policy and maintaining peace.

A truly wise and outstanding statesman has been lost to our councils of state. Brien McMahon was an intense patriot who possessed both a courageous heart and a brilliant mind which worked in concert to further the interests of his fellow men.

President Ratifies Convention with Germany

*On August 2 President Truman made the following statement after ratifying the Convention on Relations between the United States, the United Kingdom, and France and the Federal Republic of Germany, and the North Atlantic Treaty Protocol:*¹

With the advice and consent of the Senate, I have today ratified the convention on relations between the three powers and the Federal Republic of Germany, and the protocol to the North Atlantic Treaty. Ratification of these instruments represents the latest in a long series of efforts on the part of this Government to establish normal and friendly relations between the United States and Germany. Ratification is also a further step toward assuring the security of Western Europe and the whole North Atlantic area. While the United States is the first nation to ratify both of these documents, I feel certain that our European Allies, realizing the importance and urgency of these measures to Western Germany and the free world, will join in expediting approval of the parts by their own parliaments.

In giving its advice and consent to ratification of the convention on relations with the Federal Republic of Germany, the Senate stated its interpretation with respect to constitutional procedures as referred to in the convention.

I should like to make it clear that this interpretation refers only to internal relationships between the component parts of the Government of the United States, and does not in any way affect the rights and obligations of the United States or other signatory states under the convention, or any of the related conventions or agreements. Furthermore, the interpretation does not in any way lessen the determination of the United States to carry out its commitments.

The convention does not, in my opinion, grant to the President any new legislative authority, nor does the interpretation adopted by the Senate increase or diminish the powers the President has under the Constitution.

¹For a summary of the convention and text of the North Atlantic Treaty Protocol, see BULLETIN of June 9, 1952, pp. 888 and 896.

On August 1 the British Parliament approved the convention with Germany and the NATO Protocol, as well as the agreement establishing the European Defense Community.

Austria Appeals to United Nations Members for Support in Restoration of Sovereignty and Ending of Occupation

On July 31 the Austrian Chargé d'Affaires, Dr. Wilfried Platzer, presented to the Department of State a memorandum announcing his Government's intention of taking to the United Nations its plea for the conclusion of a State treaty to end the occupation of Austria and restore its national sovereignty. The memorandum is to be delivered to all states members of the United Nations.

Attached to the memorandum are the following annexes: 1) List of International Acts Violated by Germany in 1938 Through Her Occupation of Austria; 2) Statements by British and American Statesmen Concerning the Restoration of a Free Austria; 3) The Reasons for Which the Continued Occupation of Austria is Inconsistent With the Principles of International Law; 4) Council of Foreign Ministers Paris Meeting—Agreement on Controversial Clauses of Austrian State Treaty—Communiqué of June 20th, 1949 (see BULLETIN of July 4, 1949, p. 858); 5) Losses Incurred by Austria Through the Occupation; 6) Draft Treaty for the Re-Establishment of an Independent and Democratic Austria; and 7) Text of Proposed Abbreviated Treaty for Austria Presented by the Governments of the United States, the United Kingdom, and France to the Government of the Soviet Union on March 13, 1952 (BULLETIN of Mar. 24, 1952, p. 449).

Following is the text of the memorandum:

MEMORANDUM

BY THE AUSTRIAN FEDERAL GOVERNMENT CONCERNING THE TERMINATION OF THE OCCUPATION OF AUSTRIA AND THE REESTABLISHMENT OF HER FULL SOVEREIGNTY

The Statute of the Republic of Austria is based upon the treaty of Saint-Germain.

Austria, admitted to the League of Nations in 1920, remained a member until her forcible occupation by Germany. During this entire period Austria loyally cooperated in the achievement of the aims of the League of Nations to safeguard peace. The League of Nations, on the other hand, more than once aided Austria to overcome her economic and social difficulties.

For the maintenance of her independence Austria, being only a small country, relied, above all, upon Article 10 of the Covenant wherein the members of the League undertook to respect and preserve against external aggression the territorial integrity and political independence of all members. However, this guaranty did not prevent the German Reich from occupying Austria by force of arms on March 12th, 1938, in violation of Article 80 of the Treaty of Versailles and the Austro-German agreement of July 11th, 1936,¹ and in complete disregard of the declaration of May 21st, 1935, by which Hitler had recognized the inviolability and independence of the Federal State of Austria. Though the Government of Austria tried to the very end to induce the members of the League to come to its aid against the German aggression, the members did not make good their pledge of guaranty; instead they lodged notes of protest.

Thus, Austria became the first victim of Nazi aggression. (Annex 1; list of agreements violated by Germany in 1938 through her occupation of Austria).

However, when Germany invaded Poland on September 1st, 1939, thereby unleashing the second world war, the question of the unlawful occupation of Austria by Germany was reopened by the Allied Powers. British and American statesmen solemnly announced that Austria had to be liberated from the German yoke and restored as a sovereign state (Annex 2). These announcements made on various occasions finally led to the Declaration of Moscow signed by Great Britain, the U.S.A. and the U.S.S.R. on November 1st, 1943. (The French Committee of National Liberation made a similar declaration in Algiers on November 16th, 1943.) In this declaration the governments of the signatory powers expressed their will that "Austria, the first free country to fall a victim to Nazi aggression, shall be liberated

¹ For text of this agreement and for documents from the archives of the German Foreign Ministry dealing with the annexation of Austria, see *Documents on German Foreign Policy 1918-1945. From Neurath to Ribbentrop* (Series D, Vol. I), Department of State publication 3277, pp. 278-626.

from German domination." They regarded "the annexation imposed upon Austria by Germany on March 15th, 1938, as null and void", considered themselves "as in no way bound by any changes effected in Austria since that date" and declared, "that they wished to see re-established a free and independent Austria."

By their announcements made during the war, and, in particular, by the Moscow Declaration of November 1st, 1943, the Allied Powers (Great Britain, the U.S.A., the Soviet Union and France) have also recognized the existence of Austria as a separate state. Consequently, after the liberation of Austria by the Allies, this problem was not mentioned any more and an agreement was concluded on July 4th, 1945, (so-called 1st control agreement) on the establishment of the Allied Control system which will function in Austria until the formation of a freely elected Austrian Government recognized by the four powers.

The fact that, at the Potsdam Conference, (July 17th to August 2nd, 1945) the four Allied Powers, while discussing the termination of the state of war and the conclusion of peace treaties with Italy, Bulgaria, Finland, Hungary and Rumania, did not adopt similar decisions with regard to Austria, corresponded entirely to the then prevailing and repeatedly corroborated conception of the Allies under which Austria, as a state, was to be liberated, and her evacuation, after free election had been held and a free Government formed, was considered as a matter of course which did not require the conclusion of any peace treaty.

An occupation of Austrian territory by the Allies had become inevitable during the war, a war aiming at the annihilation of the armed forces of Germany and also at the restoration of a free Austria. Furthermore, it was clear to everyone in Austria that this occupation had to be maintained for some time after the liberation in order to disarm the soldiers of the Wehrmacht stationed on Austrian soil, to re-establish public order and public life and to take measures for the restoration, without disturbance, of the sovereignty of Austria. Temporary occupations of a similar character had become necessary in the course of the liberation in other countries such as France and Belgium. But though the conditions for the withdrawal of Allied troops and the restoration of a free and democratic Austria, i.e. free elections, formation of a constitutional government and re-establishment of public order, had been fulfilled as early as November 1945, Austria—to the great disappointment of her entire people—was not treated as the other countries liberated by the Allies—not even as the countries which had gone to war on Hitler's side, and with which peace treaties had been signed years ago.

The reasons which led the four occupying powers to change their original intention to end the occupation of Austria as soon as a stable Austrian Government had been set up, are at-

tributable to world politics and influenced by the contrasting political and ideological concepts of the East and the West.

The decision of the four Allied powers to continue the occupation of Austrian territory until the conclusion of a State (not a peace) Treaty was a bitter disappointment for the Austrian people since, according to the facts of the case, Austria has had and has a just claim, hardly contestable under international law, to regain her full sovereignty even without a treaty (Annex 3). It will

Background of Austrian Treaty Negotiations

Starting-point of the negotiations for the Austrian State Treaty, one of the most protracted in diplomatic history, was the Moscow Conference of 1943. On November 1 of that year representatives of the United States, United Kingdom, and Union of Soviet Socialist Republics announced their agreement that "Austria, the first free country to fall a victim to Hitlerite aggression, shall be liberated from German domination. . . . They declare that they wish to see re-established a free and independent Austria, and thereby to open the way for the Austrian people themselves, as well as those neighboring states which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace" (BULLETIN of Nov. 6, 1943, p. 310). France concurred in this declaration on November 16, 1943.

Deputies of the Four Powers began formal negotiations in January 1947 and held a total of 258 meetings without reaching agreement on a treaty draft. On September 14, 1951, the U.S., British, and French Foreign Ministers, meeting at Washington, announced "that in the view of their Government there is no justification for any further delay in the conclusion of a treaty for the re-establishment of a free and independent Austria. This has been the constant aim since the conclusion of hostilities. They will not desist in their efforts to bring the Soviet Government to the same view and to that end they have decided to make a new and resolute effort in the meetings of the Austrian Treaty Deputies to fulfill the long over-due pledge to the Austrian people."

The 259th meeting of the Treaty Deputies was scheduled for January 21, 1952. The U.S., British, and French Deputies gathered at London; the Soviet Deputy, who had been notified of the meeting a month in advance, failed to appear.

On February 28 the three Western Powers announced that they were "urgently examining new proposals so that the Four Powers may be enabled to fulfill their pledge made in the Moscow Declaration to restore to Austria her full freedom and independence" (BULLETIN of Mar. 10, 1952, p. 379). On March 13 they presented to the Soviet Government a simplified treaty draft which would give Austria full independence (BULLETIN of Mar. 24, 1952, p. 448). Since no response was received from the Soviets, the three Governments sent a follow-up note on May 9 (BULLETIN of May 19, 1952, p. 778), but again no reply was forthcoming.

be remembered in this connection that the four occupation powers, in their solemn declaration at Moscow, had pledged themselves to restore a free and sovereign Austria. As a matter of course, the Federal Government would have been prepared to conclude with individual states such agreements as might have proved necessary.

In view of the existing situation, the Federal

Government, although continuing to argue that the conclusion of a state treaty was no requirement of International Law, has done everything in its power to maintain an attitude that would facilitate and expedite the negotiations of an Austrian state treaty started by the Allies after their change of policy; in this connection the Government of Austria has courageously faced the extremely heavy burdens contained in the draft treaty, although it appeared doubtful, at times, whether Austria would really be able to shoulder them. This all the more as several years have now passed since the Federal Government has made this concession, only in order to bring about the termination of the occupation with its heavy burdens, while, during all this time, Austria has had and still has to bear the burdens of occupation and to suffer the exploitation of a considerable part of her economy (German assets) and of her natural resources (oil).

In the beginning, the negotiations for the State Treaty left hope for an early conclusion. In fact, at the Conference of Foreign Ministers held in Paris in June 1949, agreement was reached on certain points and the deputies of the four foreign ministers were instructed to resume their work promptly in order to reach an agreement on the draft treaty as a whole not later than September 1st, 1949. (Annex 4; Communiqué of the Paris Conference of Foreign Ministers of June 20th, 1949.)

These instructions notwithstanding, the deputies were unable to reach agreement at the given date; subsequently, in spite of all our concessions and appeals, negotiations were made increasingly difficult by changed international conditions, and finally deadlocked as the Soviet Union continuously put forward new demands which were no longer connected in any way with the Austrian problem. In the end, the Soviet representative failed to appear at the 258th meeting of the deputies.

The protracted occupation of Austria, the duration of which can now not even be estimated, affects Austrian political and economic interests in the most serious manner. The mere fact of the occupation weighs heavily upon the entire population, both physically and morally, and the aggravation of economic strain due to the occupation, apart from preventing a normalization of the economy, causes unrest among the people.

The losses caused to Austria by allied occupation, and the burdens put upon her economy, her land and her financial resources by its continuation are demonstrated by Annex 5.

Well aware of the fact that negotiations cannot be resumed on the basis of the old treaty draft which, moreover, contains a number of financial and economic provisions no longer bearable under prevailing circumstances, and hardly ever acceptable to the Austrian Parliament, the three Western

Allies, according to Austria's demand for the restoration of her full sovereignty and the evacuation of her territory, have transmitted to the government of the Soviet Union the text of a new abbreviated State Treaty (Annex 7) in the form of a protocol of evacuation, on March 13th, 1952. The success of this attempt, on the part of the Western powers, by freeing the country from foreign troops, and by terminating the burdens connected with the occupation which weigh so heavily upon the country and its people, would, of course, achieve the long sought aim of the Federal Government.

However, should all attempts fail to restore Austria's full sovereignty in this way, it is certainly intended to bring the question of the evacuation of Austria and the problem of the State Treaty before the forum of the United Nations, at a given date, and to appeal for their mediation to induce the four occupying powers to evacuate Austria at last and to restore the freedom that is her due.

U.S. Views on Austria's Nazi Amnesty Legislation

Press release 588 dated July 28

On July 18 the lower house of the Austrian Parliament approved three laws granting (1) amnesty to certain implicated Nazis, (2) cancellation of property forfeitures of certain implicated Nazis, and (3) promotions for certain implicated Nazis whose civil-service promotions had been frozen. The lower house also approved a law amending the Third Restitution Law. The amendment provides that persons who had been required under the Third Restitution Law to restitute land to victims of Nazi persecution now have the right to purchase such land without the consent of the original owner. The amendment also provides for the possible reopening of judgments returning their enterprises to victims of Nazi oppression if such enterprises were found to have been indebted at the time of the original deprivation.

The Department of State has informed the Austrian Ambassador at Washington that it is greatly disturbed to have received reports on the above legislation when restitution and general claims problems of victims of nazism still have not been satisfactorily resolved by the Austrian Government, and that it is equally concerned about the action to amend the Third Restitution Law to the detriment of victims of national socialism. Similar representations were made to the Austrian Government in Vienna.

The Department of State is of the opinion that two further laws, passed by the Austrian Parliament on July 18, granting compensation to civil

servants, resident in Austria, for loss of salary and other losses suffered by them during the *Anschluss*, and granting compensation generally to victims of Nazi oppression who reside in Austria, do not adequately meet the request frequently expressed by the Government of the United States to the Government of Austria not to discriminate against such victims on the basis of their present residence or citizenship.

The Acting U.S. High Commissioner in Vienna who is the U.S. representative on the Allied Council, the body to which the above legislation will be submitted for consideration, has been informed of the views of the Department.

Propaganda at Red Cross Conference

Press release 599 dated July 30

Following is the text of extemporaneous remarks made to the press at Toronto on July 30 by Charles Burton Marshall, Chairman of the U.S. Observer Delegation to the International Red Cross Conference currently in session at Toronto, and a member of the Policy Planning Staff of the Department of State. Mr. Marshall's statement was issued as a result of two resolutions introduced by Communist delegations alleging mistreatment of prisoners of war by the U.N. Command in Korea and use of germ warfare.

The purpose of the U.S. Government Observer Group at the International Red Cross Conference is solely this: to help forward the humanitarian work in which the American Red Cross Society and the sister Red Cross Societies of other nations and the Red Cross world as a whole are engaged.

The question which now arises—and it is not given to us to answer it—is, when can we get ahead with the legitimate business of the Red Cross?

Several delegations in attendance have not the slightest interest in the humanitarian work of the Red Cross. They are not putting on an act here. In their frame of thinking a society that exists for humane purposes, applying to all men irrespective of individual differences, simply is impossible. They understand human relations only in terms of conflict. They are here for fomenting conflict and for no other purpose.

They are using this place as a sounding board not only for political conflict in the international aspect, but also, and this is even more significant—for purposes of political conflict between the ruling groups of these countries and their own peoples.

There is no mystery to this perpetual hammering away at the subject of biological warfare. The governments of the countries in question face grave problems growing out of the lassitude—the inertia of disbelief—among their own peoples. The Red

Cross Conference is being used as a rostrum from which to produce propaganda in the form of the fiction of a ruthless enemy—all this in the hope of getting some pickup in the flagging efforts of the peoples who live under those tyrannies.

Mark this also. They are using this Red Cross meeting for purposes of trying to undermine the credit of the United Nations.

Men of good will everywhere—and I include those who still entertain hopes of a better day while living under the burdens of oppression—will feel deep regret at this attempt to use a humanitarian forum as a means of trying to hurt the effectiveness of that great international organization which works in the political sphere.

This attempt to discredit the United Nations will fail wherever men are still free to discuss facts and know the truth. It is not only to these that this propaganda is being directed; it also is aimed toward the domestic audience behind the Iron Curtain.

I want to say a word about two resolutions introduced in the General Commission this morning.

The resolution put forward by the Polish Delegation relates to adherence to the Geneva Protocol of June 17th, 1925, concerning the bacteriological weapon. This constitutes merely one more in a long series of efforts of the Iron Curtain delegations to move the present conference from a neutral and humanitarian plane to a political and polemical plane.

The Polish resolution actually is merely a paraphrase of the draft resolution which was submitted to the U.N. Security Council last June by Soviet Representative Jacob Malik. This resolution was fully considered and rejected by the Security Council. It obtained only one vote—that of Soviet Russia. The other 10 members of the Security Council abstained. The Polish draft resolution therefore has already met with rejection in the United Nations. This resolution refers to the old charge of biological warfare. I do not want to get into the details of that hoary fiction. Let me instead invite to your attention a fine and comprehensive statement on the subject drawn up by three scientists of the host country of this conference (Canada) and tabled in the House of Commons at Ottawa. I hope all of you have it.

It is a travesty on the decency and high principles of the International Red Cross to project this subject into the conference.

I want to mention also the resolution put forth by the Chinese Communist regime's representatives and the corresponding Red Cross group. It concerns the conduct of the resistance to aggression in Korea.

This is an anti-United Nations resolution. It is a shabby attempt to put the International Red Cross on record against the United Nations. It is a resolution to abuse the Red Cross by making it into something to give comfort to aggression.

Department of State Bulletin

Economic Foundations for Lasting Peace

On July 19, 1952, President Truman presented to the Congress his Midyear Economic Report, together with the Midyear 1952 Economic Review prepared for the President by the Council of Economic Advisers.¹ Excerpts from the President's Report and from the Economic Review follow:

PRESIDENT'S MIDYEAR ECONOMIC REPORT TO THE CONGRESS

To the Congress of the United States:

This Midyear Economic Report appears at a time when the 82nd Congress has adjourned, and when the Congress may not again be in session until January 1953. For this reason, the Report does not contain specific legislative recommendations. It is limited to a broad view of the Nation's economy, its current condition of strength, and its prospects and problems for the future.

It is highly desirable that these matters now be placed before the American people and their representatives. During the coming months, issues of economic policy will be widely discussed throughout the land.

Nobody can expect, and it would not be desirable, that everybody view these problems in the same light or propose identical solutions. The strength of our free institutions rests upon free debate and free decisions by the people.

But in these trying times, while some issues will continue to divide us, we must seek out and stress those things which hold us together.

We face a common danger in the world—the communist menace. We share common aspirations for our domestic economy—stability, justice, and advancing prosperity.

There are certain facts that we should all know and accept. These facts converge upon one inescapable conclusion: America has the economic strength, while fulfilling its domestic responsi-

bilities, to build with other free nations the conditions for a more enduring peace. America cannot afford to relax in this effort, in the false fear that we do not have the strength to carry through.

This country, from the time of its formation, has passed successfully through many trying times. This success has not come through doubting our own ability. It has not been achieved by trying to get by with lower exertions and costs than were necessary to do the job.

Yet every day one hears some expression of opinion that our security efforts are weakening us at home, and that we must reduce them in order to save ourselves. Many who hold this view are entirely sincere. The trouble is that they have not examined all the facts. I am confident that, when they do so, they will join in the realization that danger lies in believing wrongly that we are weak. Our strength commences with knowing that we are strong—and becoming stronger.

The facts reveal beyond question that the security programs now being undertaken are not even threatening—much less depleting or impairing—the strength of our domestic economy. Despite the burden of these programs—and they are a real burden—our business system has been doing better and our people have been living better than ever before.

Our just pride in these facts should be tempered by the sobering realization that the burden of resistance to aggression is pressing very heavily against the living standards and productive opportunities of other free peoples. They are just as desirous of achieving freedom and security as we are. But the resources they can devote to building economic and military strength are much more limited than ours, because they have far less of a margin above the absolute necessities of life. Under these circumstances, the help we give them can return many times its cost in greater security for them and for us. The record of the recent years shows that this is true—and the contrast between our own economic situation and that of other free peoples shows how fallacious is any claim that we are doing more than our part.

¹ For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. at 50¢ a copy (paper bound).

The people of the United States have proved that they could stand up under adversity whenever the need arose. But we also draw inspiration from achievement. It speeds us forward to even greater achievement. The facts about the strength and progress of the American economy since the Korean outbreak should be made clear to all. These facts can provide the clearest guide to the actions we should take.

The presentation of these facts can also strengthen our position in the free world. Communist propaganda is founded upon the false idea that the American economy cannot maintain its strength. Even some of our friends abroad are concerned about the future of the American economy—which they regard as the bulwark of the hopes of free men everywhere. The truth about our economic situation should also be brought home to them.

Economic Relations With the Free World

There is general agreement that we must join with the free world in the development of military strength. But there is not yet in this country an equally general understanding that the military security of the free world is inseparable from its economic future. This is true because economic strength is the source of military strength, and because no nation can maintain either the means or the morale to maintain a great defense effort in a period short of total war unless its economic conditions are at least tolerable. It is true for the even more important reason that the free peoples of the world want not only to be secure from military attack; they also want to live as free men should live. They want adequate food and clothing, housing, and medical care. They want to advance their industrial arts, so that they will have the productive power to achieve these ends. These aspirations are not only worthy; they are vital.

The United States would be in much greater danger, if the people of any substantial portion of the free world should come to believe that we are not interested in their human aspirations, but interested only in helping them to arm in order to help defend ourselves. This would provide the communists with a propaganda weapon against which counter-measures would be extremely difficult.

Recent actions by the Congress have displayed a failure to appreciate in full the importance of these facts. But facts have a way of persisting, and I am sure the time will come when the Congress will respond to them fully. I can only hope that it will not be too late.

The people of the United States have gained more through the maintenance of freedom than any other people in the history of the world. Hence we have the most to lose if freedom is lost, and we cannot enduringly remain free unless freedom predominates in the rest of the world.

There is nothing in our own history, or in the history of all human events, to indicate that freedom can be maintained without cost and effort. It costs a lot to maintain freedom, in money and material things, in human understanding, and sometimes in blood. To avoid an incalculable cost in blood, we must be prepared to sustain a great effort in money and material things and in human understanding.

The building of military security is only a first stage in this long effort. We must be prepared, while that first stage is going forward, and increasingly after it is completed, to make our fair contribution toward a more prosperous free world. And a more prosperous free world will mean a more secure free world.

In this long effort, the kind of emergency aid which we have thus far been extending will need to be supplemented and then increasingly supplanted by a more normal flow of capital from the United States to other countries. This, in turn, will need to be accompanied by more realistic appreciation that exports must in the long run be accompanied by imports.

It is disturbing to note that, despite the high level of employment in the United States, pressures have been growing recently to restrict imports. Embargoes on importation of foreign products, increases in duties on imported goods, and numerous requests for other increased duties, are some examples of how these pressures for restriction of imports have manifested themselves. The pressures for restrictionism have generally been exerted with too little consideration for the effects that the measures have on our security objectives, and on economic policies consistent with our position as a creditor nation.

Trade restrictions have a direct impact on United States programs to strengthen the free world. The joint defense effort must be built on a solid foundation of strong nations acting together. We cannot consistently throw up barriers here, while, at the same time, we urge the creation of a close partnership in the North Atlantic community. Inconsistencies of this sort undermine the basis on which our position of leadership rests. In addition, the economies of our friends are much more dependent on foreign trade than the economy of the United States. If they are unable to earn dollars to pay for those essential commodities which they now purchase in the dollar area, they will be under additional pressure to secure them in other areas of the world, including the Soviet bloc.

The encouragement of economic conditions which will enable the other free nations to pay their own way is the goal that we must seek, as a transition from the emergency conditions which have made it essential for us to extend temporary aid.

The way to get out of an emergency is not to pretend that the emergency does not exist, but

instead to remove the conditions which have produced the emergency. Communist subversion will present no great threat to the free world, as the free world achieves economic stability and further economic progress. Communist aggression may still continue to be a threat, but the free world will then have the clearly apparent power to resist any such aggression. We must continue, with courage and vision, to help create the conditions in the free world which will provide the only dependable foundation for lasting peace.

MIDYEAR ECONOMIC REVIEW BY THE COUNCIL OF ECONOMIC ADVISERS¹

United States commodity exports reached an all-time peak of about 16 billion dollars (annual rate) in the first half of 1952. The main events elsewhere which have affected United States trade are discussed in the following paragraphs.

International payments. The last months of 1951 and the first months of 1952 found most countries of the free world reacting from the sudden impact of the Korean war. Memory of wartime shortages, readily available credit, and expanded defense production, had brought a tremendous increase in demand for goods at all stages of production, an expansion of output throughout the world, and rapidly rising incomes and prices. The prices of primary products had experienced the sharpest rises, increasing the incomes of most of the countries exporting raw materials, but causing a fairly severe worsening in the terms of trade of most of the industrialized countries. Western Europe's balance of payments situation was further aggravated by abnormally large imports of coal and oil from the United States, necessitated by a lag in the output of coal behind industrial production and the cessation of oil exports from Iran. The United Kingdom also lost earnings as a result of the impasse over Iranian oil.

Countries which had reacted earliest to changing market prospects by heavy inventory accumulation, such as Belgium, The Netherlands, and Germany, experienced balance of payments deficits in 1950 and early 1951, and had already taken steps to remedy their position by the summer of 1951. In England and France, on the other hand, stocks were drawn down after June 1950, and these countries then imported more heavily at the high level of prices prevailing after the first quarter of 1951. Their balance of payments troubles were further aggravated by a flight of capital induced by fears of currency depreciation, and by the corrective measures taken in some other countries which held down British and French exports.

¹ Submitted to the President on July 16, 1952. Members of the Council of Economic Advisers are Leon H. Keyserling, chairman, John D. Clark, and Roy Blough.

The leveling-off of consumer spending and business buying that accompanied the stabilization of prices and money incomes brought depressed conditions to the textile industry throughout the free world, revealing a basic structural problem in this industry. In almost every country, large and small, industrialized or underdeveloped, the second half of 1951 and the first of 1952 found unemployment and unused capacity in woolen mills, and, to a smaller degree, in cotton mills. In part, this world-wide situation is explained by the fact that rising raw materials prices in the last half of 1950 led to speculative purchases of textiles by dealers, with the result that production soon outran sales, and inventories were built up. At the same time, consumer demand slackened, Germany and Japan reappeared on the world market as textile exporters, and balance of payments deficits in various parts of the world forced curtailment of imports, causing the exports of large textile producers to be reduced.

Although these were the precipitating factors in certain countries, the world-wide depression in textiles also reflects an older and more fundamental malaise than these short-run factors suggest. The secular development of synthetic fibers, which are being increasingly substituted for the natural, affects not only the producers of cotton and wool throughout the world, but insofar as the new fibers require new spindles and looms also affects the manufacturers of other textiles. Furthermore, the world-wide growth of the textile industry, in both industrialized and underdeveloped countries, has caused an expansion of productive capacity in certain lines beyond the level of demand at current prices, despite the existence of great need.

The decline in textile production accounts for the preponderant part of the recent increases in unemployment in Western Europe, as table 19 indicates,² and for a proportion of total unemployment which is far greater than the importance of the textile industries in their total economies.

Despite the depressed textile market and a leveling off of total industrial production, there is no evidence of a general recession of demand in Europe such as would have serious adverse effects on the United States economy. The stability appearing in the index of industrial production for Western Europe in the first part of 1952 reflects strong demand in the remainder of the European economy, especially in the metal and metal-using industries. In almost every country, output of metal products for the first quarter of 1952 was substantially above that for the same period of 1951; in particular, steel production in the first 4 months of 1952 was 9 percent above the same period of 1951 for the area as a whole. The easing of demand for consumers' goods may be expected

² Appendix tables and charts referred to in this Review are not printed here.

to facilitate a shift of manpower to industries where it is urgently needed.

In other parts of the world, national economies were characterized by similar developments. Textile production in India and Japan was larger than sales in the second half of 1951 and in the first months of 1952, in part because of reduced export demand. Increased activity in the metal industries of Japan caused the level of industrial production in the first quarter of 1952 to be nearly 20 percent above 1951. In the underdeveloped countries, production of industrial primary products in general continued at high levels.

Whether the increases in output and greater stability of prices achieved by most countries of the free world in the first half of 1952 will be maintained depends to a considerable extent on developments in the United States and other industrialized countries. Assuming no change in the international political outlook and the maintenance of a high rate of economic activity in the United States, accompanied by a moderate expansion of imports and foreign aid expenditures, other countries are likely to be able to maintain the improved overall stability experienced in recent months.

Meanwhile, the slackening of consumers' and business purchases of finished goods and raw materials, which started in the United States in early 1951 and spread to other industrialized countries, led to declines in the prices of many primary products. Countries exporting primary products suffered declines in export prices after the first quarter of 1951, while in some cases imports continued to expand. As a result, payments surpluses were reduced, and in many cases were transposed into deficits and loss of reserves by some of the countries of Latin America, Africa, Asia, and the Pacific. By the end of 1951, the balances of payments of most industrial countries had improved, but those of a number of raw material producing countries and of the United Kingdom and France had deteriorated seriously.

Underlying many of the factors described above, and accentuating the balance of payments problems of many deficit countries, was the general expansion of their money demand and incomes. Open or suppressed inflation, supported by the pressures of internal investment from both public and private sectors, contributed to deterioration of balance of payments positions, mainly because of its stimulating effect on imports.

It is important to note that the balance of payments deficits experienced by England and France at the end of 1951 did not result from an absolute decline in exports, but rather from a failure of exports to rise as rapidly as imports, even though exports were reaching unprecedented levels. The exports of both countries in the fourth quarter of 1951 were at an all-time high in value, while the quantity of exports for the entire year 1951 also

set new records, and the volume of exports from the United Kingdom in the first quarter of 1952 set a new high. On the other hand, in certain countries exporting mainly primary products, notably Australia and Argentina, government policies of the last several years to encourage manufacturing industries contributed to actual reductions in supplies of foods available for export.

Corrective measures. The steps taken to correct the balance of payments situations in most countries of the world recognized the role of internal monetary forces. Although direct controls over imports were made more stringent, in general a larger role was given to internal credit and fiscal measures than in the preceding postwar balance of payments crises. Interest rates were raised, and credit was restricted in an effort to keep effective demand at levels consistent with the countries' resources. The increasing reliance of Western European, and also other countries, on monetary and credit controls was partially due to a reluctance or inability to tighten direct controls further or to increase taxes, which in some cases are very high. Even without import restrictions and active anti-inflationary policies, however, it is likely that the rate of imports of some nations would have declined, because of a reduction in the abnormally high rate of inventory accumulation.

Developments in the first half of 1952. During the first half of 1952, there was evidence that most of the free world had achieved or was achieving price stability at a high level of economic activity. By early spring, most European countries and others in Asia and the Western Hemisphere had experienced moderate declines in wholesale prices, although in certain countries, for example, Australia, New Zealand, and South Africa, domestic wholesale prices reached new highs. In some countries, such as the United Kingdom, Germany, and the Scandinavian nations, where the peak in wholesale prices came near the end of 1951, cost-of-living indexes rose somewhat further. (See appendix table B-24.) Industrial production, which had expanded rapidly and continuously from June 1950 to the spring of 1951, leveled off in Western Europe and other industrial countries. (See chart 22.) The leveling-off of industrial production was the net result of a continued rise in defense expenditures and strength in markets for capital goods, combined with weaknesses in markets for consumers' goods and certain related raw materials. The prices of hides and wool, for example, started to decline in the second half of 1951, and at the end of the first quarter of this year reached a low which was considerably below their pre-Korean level. Although these prices have since recovered somewhat, they have recently fluctuated about a level substantially below that of June 1950. Prices of tin and rubber, much influenced by controlled buying in the United States,

have declined sharply from their post-Korean peaks, the price of rubber in fact having fallen below the pre-Korean level. In the first half of 1952, purchases of rubber, which had been made solely by the General Services Administration, were returned to private buyers.

United States imports. Commodity imports in the first 5 months of 1952, although below the same period in 1951, were at a rate 11 percent higher than during the last half of 1951. (See appendix tables B-43 and B-44 for data on merchandise imports, and appendix table B-38 for data on all imports.) Most of the movement in imports between the first quarters of 1951 and 1952 can be accounted for by 8 commodity groups: coffee, cocoa, wool, sugar, tin, nonferrous ores and concentrates, rubber, and gas and fuel oil. Although these commodities accounted for only 41 percent of the value of our total commodity imports in the first quarter of 1951, they accounted for 82 percent of the decline in the value of our commodity imports from the first to the fourth quarter of 1951. Similarly, from the fourth quarter of 1951 to the first quarter of this year, they accounted for 94 percent of the increase in the value of our commodity imports. Only a part of these movements can be accounted for by seasonal changes; to a considerable extent, they reflected the effect of the preceding consumption of inventories, which made it necessary to increase imports to levels more nearly in accord with current consumption.

After an agreement in January between the governments of the United States and the United Kingdom providing for the purchase of steel by the United Kingdom and of tin and aluminum by the United States, the United States resumed purchases of tin which it had ceased to buy for several months.⁴ A decline in the foreign price for lead and zinc, resulting from greater world production and large foreign stocks, brought increasing imports of these metals. Their foreign prices declined to the level of United States ceilings, and then caused United States prices to fall below the ceiling level. The first months of 1952 also brought increased imports of natural rubber, as well as seasonably high imports of coffee, wool, sugar, and cocoa.

Although the value of commodity imports in the first quarter of 1952, an annual rate of about 11 billion dollars, was somewhat below the level of the first quarter of last year, the resulting decline in the total of dollars available to foreigners was fully counterbalanced by an increase of 800 million dollars (annual rate) in Government purchases of services abroad. Other service imports remained about the same, with the result that total imports of goods and services in the first quarter of this year were at an annual rate of 15.6 billion dollars, approximately the same as a year earlier,

⁴ For a communiqué relating to this U.S.-U.K. agreement, see BULLETIN of Jan. 28, 1952, p. 115.

and it is believed that they remained close to this rate in the second quarter. (See chart 23 and appendix table B-38.)

Other means of financing exports. United States Government aid, which had declined after the second quarter of 1951, continued to decline in the first quarter of 1952, but rose again in the second quarter to the level reached in the same period of the preceding year. (See table 20 and appendix table B-40.) This rise from the first to the second quarter was chiefly the result of an expansion in military aid, although economic aid and defense support increased somewhat. At the same time, there was an increase in private capital exports between the first and second quarters of this year. The increase in aid and in private investment, along with an apparent decline in the flight of capital (unrecorded transactions), enabled foreign countries in the aggregate to stop the decline in their gold and dollar assets which had been going on since mid-1951. According to preliminary estimates, there was in fact some net accumulation in the second quarter of this year, largely on the part of Canada and Indonesia, but with the gains distributed quite widely, in Europe as well as elsewhere. The sterling area, which lost a very large volume of gold and dollar assets in the first quarter of this year, maintained these assets substantially unchanged in the second quarter, partly with the help of a substantial increase in United States aid.

United States exports. Despite the internal measures taken by several nations to restrict effective demand, United States merchandise exports, excluding military supplies, maintained during the first 5 months of 1952 the high levels achieved during the last part of 1951. If military supplies are included, exports were more than 12 percent above the level of the same period of 1951. (See appendix tables B-41 and B-42 for data on merchandise exports and appendix table B-38 for data on all exports.) The failure of these measures to reduce the level of United States exports up to now is in part the result of the fact that a decline in imports of some goods from the dollar area was offset by a rise in imports of foodstuffs and other essential goods; in part it is evidence of the lag between the adoption of these measures and the appearance of their effects in shipments data.

International Economic Policy

There has recently been growing pressure to increase restrictions on the entry of imports into the United States—through amendments to the Defense Production Act, through use of the "escape clause" to revoke concessions made in reciprocal trade agreements, and in other ways. The tendency to seek increased protection when domestic markets soften is a natural one. The Government,

in determining its course, must always endeavor to administer its policies in a manner which minimizes injury to individuals. But in considering requests for increased restrictions upon importation, the Government must also consider the general economic effects of such restrictions and their consistency with other public policies.

Effective increases of import restrictions raise prices to domestic users, and, under normal conditions of trade, also force foreign countries sooner or later to cut their purchases from us. In the long run, the artificial curtailment of trade generally reduces efficiency in the use of economic resources, and thereby reduces the total amount of output. These considerations, being well known, need not be elaborated here. In addition to them, however, is a newer consideration arising out of the fact that some of the countries whose trade would be affected by increased United States import restrictions are receiving foreign aid.

This country has extended foreign aid since the end of the war because, after repeated and thorough public discussion in connection with the loan to the United Kingdom, the European Recovery Program, the Mutual Defense Assistance Program, the Mutual Security Program, and other programs, it was concluded that the volume of goods which a number of foreign countries should be enabled, in our joint interests, to import was greater than the volume they could finance solely through their exports of goods and services and the flow of our private capital and private gifts. It has been generally recognized that, if these countries are to become self-supporting, and if underdeveloped countries are to increase their borrowing capacity so that sound loans and direct investments can be substituted for grants from the United States, they must increase their exports. When we place increased restrictions upon their exports to us, and thus upon their dollar earnings, however, we increase their need for aid, and to that extent defeat our own policy of helping them to get along without it. Thus some of the burden of such restrictions falls upon the United States taxpayer, who finances a larger volume of aid than would otherwise be necessary. Even if we were to provide no additional aid in response to the increased need, such measures reduce the ability of the countries affected to repay the loans we have already extended to them.

Purchases from us by foreign countries, whether or not they receive aid, are limited by their dollar receipts. To the extent that we restrict imports without increasing foreign aid, and avoid a reduction of foreign payments on our public and private investments, our exports are certain to be reduced. The gain in sales, profits, and employment by the domestic industry which is given increased protection is then made at the

expense of sales, profits, and employment in industries producing for export, a fact which most producers for export appear to have been slow to recognize.

It is clear that the policies of helping other countries to become more fully self-supporting, and of reducing the strain on our economy, both require an expansion of imports. This establishes a strong presumption against increases in our barriers to imports. Indeed, the Council believes that in the years ahead further reductions in our import barriers will be found to be in the national interest.

Another major aspect of international economic policy relates to the export of capital from the United States to other countries. Many of the less-well-developed nations have come to recognize their potentialities for economic development. In the nature of the case, their development will be very slow, if it must be based entirely on their own current saving. For these countries, the importation of capital is essential.

The raising of economic levels throughout the free world is a matter of vital interest to the United States. Economic development not only raises living standards and facilitates cultural and political advance within the developing country; it also increases the supply of needed goods for other countries. More important, economic development is necessary for the achievement of the world-wide peace and tranquillity, which are vital if our own economic future is to be a favorable and secure one.

The economic development of the United States during the nineteenth century was speeded and advanced by capital investment from abroad. The shoe is now definitely on the other foot. The economy of the United States is now relatively far advanced, and has been exporting capital for a generation. However, in the present state of world insecurity, little tendency is being shown for private capital from the United States to be invested overseas, except to secure raw materials, particularly oil and metals.

The policy of the United States has been one of encouraging investment abroad. We believe this policy should be continued and expanded. To the greatest extent possible, investment abroad should be through private channels. In the existing situation, however, it is not likely that private capital will go abroad in any very large stream without improved private institutional arrangements or further positive encouragement by the Government. Further efforts are needed in order to achieve a mutually desirable flow of capital from the United States to the less developed countries. Sound methods for encouraging such investments should be under continuing study of promotion.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Report of U.N. Command Operations in Korea

FORTY-FOURTH REPORT: FOR THE PERIOD APRIL 16-30, 1952¹

U.N. doc. S/2700
Transmitted July 11, 1952

I herewith submit report number 44 of the United Nations Command Operations in Korea for the period 16-30 April, inclusive. United Nations Command communiqués numbers 1236-1250, provide detailed accounts of these operations.

The sub-delegation meetings on agenda item 3 continued until 19 April with no progress being made on the remaining issues. On 19 April the Communists proposed that the Staff Officers' meetings on agenda item 3 be resumed on the following day. The United Nations Command sub-delegation agreed. Staff Officers' meetings on agenda item 3 continued through 27 April with discussion centering on:

(a) The restrictions on reconstruction and rehabilitation of airfields and

(b) The acceptance of the Soviet Union as a member of the Neutral Nations Supervisory Commission.

On 28 April plenary sessions were resumed. The United Nations Command proposed an overall solution of all remaining problems, including the basis of exchange of Prisoners of War. The United Nations Command proposed, and the Communist delegation agreed, to the conduct of executive sessions until such time as either side may elect otherwise.

Executive sessions at Staff Officer level on agenda item 4, which had been originally agreed to by both sides in order to allow maximum freedom of discussion, were abrogated unilaterally by the Communists on 25 April. The United Nations Command was able, for the first time since executive sessions started on 25 March, to release

the entire scope of the negotiations conducted during this period. This unilateral termination by the Communists of the executive sessions brought to a climax the long series of fruitless attempts on the part of the United Nations Command to achieve an equitable and honorable settlement of the issues involved.

During the executive sessions and in the open sessions which preceded them, agreement had been reached on a number of matters relating to Prisoners of War; but on the primary issues, the basis on which Prisoners of War were to be exchanged, the positions of the Communists and the United Nations Command were diametrically opposed. The Communists have been adamant in their demand for unconditional return of all Prisoners of War held by each side; a demand absolutely unacceptable to the United Nations Command because it would almost certainly mean death or torture for the thousands of United Nations Command-held prisoners who signified their determination to resist return to Communist control.

On two related issues the views of the Communists and the United Nations Command were violently opposed. The Communists attempted to lay claim to 37,000 South Korean civilian internees held by the United Nations Command who early in the war had largely been impressed into the North Korean army. At the same time the Communists refused to account for more than 50,000 persons admittedly captured by them but whose names were not on the prisoner lists submitted at the time such data were exchanged last December. Their only accounting for this group was the allegation that they had been released at the front, had died, or had been permitted to join their armed forces.

Discussions in the open sessions dragged on, sometimes under extremely trying circumstances. In an effort to create the most favorable possible atmosphere in which the detailed position of each side could be examined and discussed without the necessity for publicity to which the Communists appeared particularly sensitive, the United Nations Command proposed that executive, or secret, sessions be held.

On 25 March the first secret session was convened. The United Nations Command position on forced repatriation was made unmistakably clear. The Communists indicated their willingness to negotiate but only on condition that the United Nations Command would provide an estimate of the total number of persons the Communists would expect to have returned to their side. The United

¹Transmitted to the Security Council by the acting representative of the U.S. to the U.N. on July 11. Texts of the 30th, 31st, and 32d reports appear in the BULLETIN of Feb. 18, 1952, p. 266; the 33d report, *ibid.*, Mar. 10, 1952, p. 395; the 34th report, *ibid.*, Mar. 17, 1952, p. 430; the 35th report, *ibid.*, Mar. 31, 1952, p. 512; the 36th and 37th reports, *ibid.*, Apr. 14, 1952, p. 594; the 38th report, *ibid.*, May 5, 1952, p. 715; the 39th report, *ibid.*, May 19, 1952, p. 788; the 40th report, *ibid.*, June 23, 1952, p. 908; the 41st report, *ibid.*, June 30, 1952, p. 1038; the 42d report, *ibid.*, July 21, 1952, p. 114; and the 43d report, *ibid.*, Aug. 4, 1952, p. 194.

Nations Command explained that since no poll of the individual preferences of prisoners had been taken, there was no basis for any reliable estimate of the number available for return. However, the United Nations Command guaranteed the return to the Communists of every North Korean and Chinese Communist prisoner who desired to return to Communist control. But in no case would the United Nations Command employ force to insure the return of any person who resisted repatriation. As a further indication of desire to effect the most equitable settlement of this issue, the United Nations Command agreed to permit any South Korean Prisoner of War or civilian internee to transfer to the Communist side if he so desired.

Continued insistence on the part of the Communists for a round number of persons to be returned to Communist control compelled the United Nations Command to initiate a screening program for all persons held in custody in the camps at Koje Do and Pusan.

The screening program was designed to determine the number of North Korean and Chinese Prisoners of War who could not be returned without the use of force to Communist control and to give the nationals of the Republic of Korea held in custody by the United Nations Command, either as Prisoners of War or civilian internees, freedom of choice to be returned to Communist control or to remain in the Republic of Korea.

During a twenty-four hour period prior to the screening, North Korean and Chinese Communist Forces Prisoners of War of each compound on Koje Do were carefully informed of the fact that they would be interviewed for the purpose of determining whether or not they would forcibly oppose repatriation. The prisoners were briefed not only on the importance of this decision, which was to be final, but on the fact that for their own safety they should not discuss the matters with others or make known their decision before the individual interviews were held.

The interviews were conducted by unarmed United Nations Command personnel near the entrance to each compound. Each prisoner, carrying his personal possessions, was called forward individually and interviewed in private. Highly qualified personnel conducted the interrogations.

The series of questions used in the interview was designed to encourage a maximum number of prisoners to return to the Communists' side, not to oppose such return. The first question was designed to identify those who clearly desired to return. In the case of Chinese prisoners, the first question was: "Would you like to return to China?" In the case of North Koreans, the first question was: "Would you like to return to North Korea?" If the answer was in the affirmative, the prisoner was listed for repatriation without further questioning. Those who replied in the negative were subjected to additional questions designed to determine whether their opposition was nominal or whether they would violently oppose repatriation. The second question was: "Would you forcibly resist repatriation?" If the answer was "No" the Prisoner of War was listed for repatriation. If the answer was "Yes" the Prisoner of War was asked four additional questions to fully determine his attitude. These were: "Have you carefully considered the important effect of your decision upon your family?" "Do you realize that you may stay in Koje Do for a long time—even after those who choose repatriation have already returned home?" "Do you understand that the United Nations Command has never promised to send you to any certain place?" "Do you still insist on forcibly resisting repatriation?" And then, perhaps the most important question, "Despite your decision, if the United Nations Command should repatriate you, what would you do?" The prisoner was listed for repatriation unless during the questioning he mentioned suicide, fight to death, braving death to escape, or similar intentions. As a result of these procedures all Prisoners of War were included among those to be repatriated except those whose opposition to return was so strong that they would attempt to destroy

themselves rather than return to Communist control. A more humane, impartial, and conscientious procedure could not be devised.

Prisoners of War and civilian internees in custody at the hospital compound in Pusan were screened under similar procedure.

As a result of the screening, in which Prisoners of War and civilian internees were interviewed to ascertain their decisions, approximately 70,000 Prisoners of War and civilian internees will remain on Koje Do to await repatriation to the Communist authorities following an armistice.

This was the number reported to the Communists and must be the basis on which any future negotiations are conducted.

The Communists attempted to secure agreement to conduct open Staff Officers' sessions. However, it was evident that they intended to make no reasonable attempts to move toward settlement of the Prisoner-of-War issue and that their offer meant only an opportunity for them to continue an unscrupulous propaganda campaign to distract the attention of the world from the basic problems involved in the negotiations. The United Nations Command recessed immediately in preparation for movement to plenary sessions as the most logical step to solve the unresolved issues. The Communists agreed to convene plenary sessions on 28 April, at the opening of which the United Nations Command informed the Communists that we were prepared to present an overall solution of the problems remaining to be settled. In response to the United Nations Command suggestion that the executive session form of meeting was the most suitable for this purpose, the Communists agreed that negotiations in plenary session would be withheld from the public. Both sides agreed further that the executive sessions could be discontinued at the request of either side. At the conclusion of the first conference, the Communists recessed to reconvene at the time of their choosing.

The status of agenda item 5 remains unchanged from that reported in United Nations Command Report number forty-three.

Enemy ground action was highlighted by small scale attacks on the central and east central sectors of the United Nations Command front, where he employed units of up to two-company strength. Effective enemy reactions to United Nations Command patrolling and probing efforts continued. He is still reluctant to allow access to the ground he controls and is determined to abruptly halt or drive back such United Nations Command actions. Enemy aggressive action usually starts during the hours of darkness and is supported by artillery and mortar fire. The heaviest of these fires was concentrated on the eastern front. Enemy positions and capabilities remained unchanged, although an inter-Army relief took place in the central sector.

The most aggressive action on the western front against United Nations Command units took place in the Hungwang-Punji sector from 15 through 17 April when hostile forces launched two attacks. The larger of these attacks involved a company which was repulsed by United Nations Command elements in the Punji sector on the night of 15-16 April. The following night two enemy platoons attacked the same sector. Other than these two unsuccessful hostile actions the enemy was content to intercept United Nations Command patrols and probing attempts and to continue to improve his defensive battle line positions. A minor order of battle change took place on the western front when a Chinese Communist Forces Army replaced one of its Divisions with two Divisions which had been in reserve. This is a normal change and conforms to the enemy policy of relieving front line units for rest and reorganizing purposes.

The normally quiet central sector was the scene of the most aggressive hostile action along the entire United Nations Command front. Enemy units launched small scale aggressive attacks of up to two-company size supported by artillery and mortar barrages. These attacks

ranged along the central sector from northeast of Kumhwa eastward to the Pukhan River. The most noteworthy action took place in the Kumsong area on the night of 16-17 April when two enemy companies attacked during the hours of darkness, under cover of rain and fog. This action, fought for eight hours, was ended by a successful United Nations Command counterattack. A two-company attack in the Yulsa area on the seventeenth and a company attack in the same area on the eighteenth were repulsed without loss of ground and with a minimum of casualties. Friendly elements in the Talchon area were temporarily forced to relinquish an outpost on the night of 16 April when two companies attacked, but the position was regained after a brief counterattack. United Nations Command tank elements fired on positions in the Suta area on 16 April during daylight, inflicted over 200 enemy casualties and caused extensive damage to hostile bunkers and trench networks.

Hostile action along the eastern portion of the United Nations Command front consisted of patrol clashes and interceptions with very little initiative being shown by enemy forces. During this period enemy artillery and mortar units in the Tupo-Yuusil area of the eastern front expended almost half of the total reported delivered against United Nations Command units on the entire front.

From 16 to 18 April, inclusive, the Sixth and Seventh Companies of the Seventh Republic of Korea Regiment, Sixth Republic of Korea Division, performed in an outstanding manner by holding a critical terrain feature in the face of enemy attacks in superior numbers. Results were 163 known enemy dead, fifty estimated dead and two prisoners. Friendly losses were thirty-five killed and 117 wounded. This action reflects great credit upon these units and their supporting elements and illustrates the integrity and determination of the Republic of Korea Army.

United Nations Command jet- and propeller-driven aircraft, operating from the fast carriers in the Sea of Japan, flew against Communist transportation facilities and supply routes in North Korea. The attacks were concentrated on vulnerable rail lines along the east coast of Korea.

Rail lines were cut and bridges, by-passes, and rail cars were destroyed. Additional destruction and damage included trucks, barracks, warehouses, locomotives, gun positions and many small vessels.

United Nations Command carriers continued to operate in the Yellow Sea. Their planes furnished cover and air support for surface units on blockade patrols and anti-invasion stations. They also flew reconnaissance missions and offensive strikes over the Chinnampo area and Hwanghae Province and in close support of the front line troops. Rail cars, warehouses and motor vehicles were destroyed and many enemy casualties were inflicted.

Patrol planes conducted daylight reconnaissance missions over the Sea of Japan and the Yellow Sea and also flew day and night patrol and weather reconnaissance missions for surface units in these same areas.

The Naval blockade continued along the east coast from the bomblines to Chongjin. Surface units made day and night coastal patrols to fire on rail targets along the coastal line. Vessels continued a siege of major east coast ports with Wonsan, Hungnam and Songjin kept under almost continuous harassment. The Communists were denied the use of coastal waters for shipping and fishing as all attempts to go to sea were taken under fire and broken up. Fire support vessels at the bomblines provided gunfire for the front line troops as far as twenty miles inland.

Enemy shore batteries were active against United Nations warships. In the Songjin area a minesweeper received one hit by a 2.5 inch projectile which caused light material damage and no personnel casualties. In the Chongjin area a destroyer received one hit from a 75mm battery. Two crew members were killed and four were injured, none seriously. The material damage was negligible. A destroyer minesweeper received one hit

which caused only minor material damage and no personnel casualties. At Wonsan another United Nations Command vessel received one hit of 122mm fired from Hodo Pando. Material damage was not serious but two crew members were injured, one seriously. Shore batteries were active on numerous other occasions at Wonsan, Hungnam, Tanchon, Songjin and Chongjin.

On the Korean west coast, the United Nations Command surface units manned anti-invasion stations along the coast from Chinnampo to the Han River Estuary to protect friendly islands north of the battle line. Daylight firing into enemy positions started many fires and inflicted numerous casualties. An enemy attack on Yongmae Do was repulsed by United Nations Command vessels.

PT boats of the Republic of Korea Navy made their first offensive sorties, striking Hodo Pando on the east coast and the north shore of Tadong Man on the west coast. Fires were started by rockets and 40mm fire. On the east coast the boats received machine gun and small arms fire but were not hit. Other vessels conducted inshore patrol and blockade missions and assisted United Nations Command Forces in minesweeping duties.

Other Navy ships and merchant vessels, under contract, provided logistic support for United Nations Command Forces in Japan and Korea. Ships of the amphibious forces provided personnel lift to move Prisoners of War and internees from the island of Koje Do to other relocation centers in South Korea.

The United Nations Command minesweepers continued operations to keep the channels, gunfire support areas, and anchorages free of mines. Sweepers also enlarged previously swept areas to meet the needs of operating forces.

Although eight days of poor weather hampered air operations, aircraft of the United Nations Command Air Force continued to maintain air superiority, attack rail lines, vehicles and supplies, and provide close support for ground units. Medium bombers disrupted the two main rail routes from Manchuria into northwest Korea by repeatedly attacking four key railroad river crossings. Fighter bomber attacks were conducted against these and other important rail routes in North Korea. Light bombers conducted night attacks against enemy vehicles and against the rail lines in order to prevent the rapid repair of the cuts inflicted during daylight hours. Fighter interceptors patrolled the northwest sector of Korea and engaged the enemy MIG aircraft on six occasions.

The two main lines from Manchuria to North Korea, the Sinuiju-Sinanju route and the Kanggye-Kunuri line, were both interdicted by medium bombers. On the first route the interdiction was accomplished by four attacks on the Sinanju bridges, which rendered both bridges unserviceable, and a single attack on the Chongju Railroad bridges which completely blocked the line by knocking out the main and by-pass crossings. Without neglecting the Sinuiju-Sinanju line the effort was periodically shifted to the second main route. The Sinhungdong bridge on this route was bombed out three different times. In another attack on this route the rail crossings at Huichon were hit resulting in four spans destroyed on the by-pass and two spans destroyed on the main bridge.

In addition to other sorties, the medium bombers flew leaflet and close support missions. No medium bombers were lost although one aircraft sustained damage from antiaircraft fire.

In further interdiction operations United Nations Command fighter bombers concentrated large scale attacks on short stretches of track making multiple cuts and destroying sections of the road bed. The area of operation was influenced by weather; but, by maintaining a flexible target schedule, the fighter bombers were able to make cuts on all main lines with the result that the main routes were in commission only for very short periods of time. The majority of the cuts were on the lines between Sinanju and Namsidong, Kunari and Huichon, Pyongyang and Sinanju, and Sunchon and

Samdongni, with the remainder of the cuts on lines farther south.

The primary missions of the light bombers remained night armed reconnaissance and interdiction. The light bombers were scheduled nightly on these missions. Delayed fuse bombs were dropped on the rail lines where fighter bombers had hit during the day to further harass the crews attempting to repair their lines. The night intruder aircraft were credited with destroying numerous vehicles, locomotives, and railroad cars. No aircraft were lost during these operations.

United Nations Command fighter interceptors sighted enemy aircraft on only eight days. On two days the enemy jets failed to appear even though the weather was operational. The fighter interceptors claimed fifteen MIGs destroyed, eighteen damaged and two probably destroyed. The largest engagements occurred on 21 April when seven MIG aircraft were destroyed and three were damaged. One United Nations Command aircraft was lost during the engagement. No significant change in the pattern of MIG activity was observed. The aggressiveness of the enemy fighter pilots was not constant. It was again noted that pilots of the type fifteen aircraft were generally more aggressive than those of the MIG-15.

Tactical reconnaissance units continued to provide photograph coverage of important airfields, rail bridges, rail choke points, and enemy installations. Current intelligence information was secured through visual reconnaissance missions. In addition to other missions flown, reconnaissance aircraft performed fire adjustment missions for United Nations Command vessels operating on the east coast of Korea.

United Nations Command leaflets and broadcasts disseminated factual reports of the Communist action in breaking off the executive sessions on prisoner exchange. In publicizing the continued Communist frustration of efforts to reach a realistic armistice agreement, the United Nations Command media made it clear to the soldiers and civilians in enemy territory that their Communist leaders were deliberately prolonging the war at a tragic cost in human lives. Intensified measures for air dropping miniature news sheets to cities and towns throughout North Korea are making it more difficult for the Communist to suppress the truth. Although it is not feasible to distribute enough leaflets to reach every person in North Korea, refugees fleeing from Communist tyranny report that the information contained in the United Nations Command news sheets is eagerly received and passed orally from person to person.

The health of the civilian population throughout South Korea is generally good. The incidence of relapsing fever and smallpox is on the decrease. A large scale immunization program for smallpox and typhus has been completed during which 7,576,202 persons received smallpox vaccinations, and 7,565,607 persons were immunized against typhus since October 1951.

Mild Spring temperatures have facilitated the progress in the construction of all types of houses under the National Housing Program. Of the 19,644 family units planned, 6,475 have been completed and 4,336 are under construction. Of the planned 17,912 refugee shelters, 13,649 have been completed and 1,188 are under construction.

Biennial Film Exhibitions To Open at Venice

Press release 608 dated August 1

The U.S. Government will be represented at the Thirteenth International Exhibition of Cinematographic Art, the Third International Exhibition of the Scientific Film and Art Documen-

tary, and the Fourth International Festival of Films for Children, to be held concurrently at Venice from August 8 to September 10, 1952, by Wilson R. Cronenwett, Lt. Comdr., USN, Head of the Motion Picture Branch, Naval Photographic Center, Department of the Navy. Mr. Cronenwett has been engaged in theater production for 22 years and has been active in motion picture production, with the training-film program of the U.S. Navy, since 1946. In 1947 he produced the first Navy training film to be honored by a silver award at the Venice Exhibition.

The purpose of the biennial exhibitions is to give formal public recognition to films which demonstrate outstanding progress toward making the motion picture a means of artistic expression and of improving international cultural relations. The meetings also afford American representatives an opportunity to view the techniques that are employed in other countries.

From the films submitted by the agencies of this Government which produce motion pictures, an interdepartmental committee has selected 13 films on various subjects, including documentary, medical, scientific, and instructional films, for showing at Venice. The film-producing agencies whose motion pictures will constitute the U.S. exhibit are the Departments of Agriculture, Defense (Air Force, Army, and Navy), and State, the Federal Security Agency (Public Health), and Veterans Administration. The motion picture industry of the United States has also been invited to participate, and it is understood that several amusement and documentary films have been entered in the competition.

U.S. Delegations to International Conferences

Edinburgh Film Festival

On July 29 the Department of State announced that the Sixth International Edinburgh Film Festival will be held at Edinburgh, Scotland, from August 17 to September 7, 1952. This series of international film festivals at Edinburgh was organized in 1947 for the purpose of showing realist, documentary, and experimental films on a non-competitive basis. All governments which produce films have been invited to participate in the Sixth Festival exhibits and in the special programs of selected scientific, educational, and children's films. Fourteen films, produced by the Departments of Agriculture, Defense (Army and Navy), Federal Security Agency (Public Health), the Interior, and State, will constitute the U.S. exhibit at the Festival.

United States Delegate

Irene A. Wright, Consultant to the Acting Assistant Administrator, International Motion Picture Service, Department of State

Alternate U.S. Delegate

Floyde E. Brooker, Chief, Audio Visual Branch, Office of Information, Mutual Security Agency

Advisers

Franklin Irwin, Public Affairs Officer, American Consulate General, Edinburgh, Scotland

Nils C. Nilson, Films Information Specialist, Mutual Security Agency, Paris, France

Lyndon Vivrette, Films Officer, American Embassy, London, England

Radio Scientific Union

The Department of State announced on July 22 that the International Radio Scientific Union (URSI) (*Union Radio-Scientifique Internationale*) will convene its tenth general assembly at Sydney, Australia, on August 11. The U.S. delegation to the assembly is as follows:

Delegates

Charles R. Burrows, Ph.D., *chairman*, Director, School of Electrical Engineering, Cornell University, Ithaca, N.Y.

Henry G. Booker, Ph.D., Professor of Electrical Engineering, Cornell University, Ithaca, N.Y.

John H. Dellinger, Ph.D., vice president, International Radio Scientific Union, President of International Commission I (Radio Standards and Methods of Measurement) 3900 Connecticut Avenue, NW, Washington, D.C.

Harold E. Dinger, Electronic Scientist and Head of Systems Interference Unit, Radio Division 2, Naval Research Laboratory, Department of Defense

Arthur H. Waynick, D.Sc., Professor of Electrical Engineering, Pennsylvania State College

Alternate Delegates

Francis J. Gaffney, Chief Engineer and Manager of Operations, Polytechnic Research and Development Company, Brooklyn

Jack A. Morton, supervisor, Department of Semiconductor Device Research and Development, Bell Telephone Laboratories, Murray Hill, N.J.

Alan H. Shapley, physicist, Central Radio Propagation Laboratory, National Bureau of Standards

Samuel Silver, Ph.D., Professor of Electrical Engineering, University of California, Berkeley

URSI is affiliated with the International Council of Scientific Unions. Since its organization in 1919 URSI has been developing, on an international basis, scientific studies and programs pertaining to radio-electricity and related subjects, and bringing together, in its biennial assemblies, the scientists who are responsible for the research underlying the spectacular advances in electronics, radar, television, and other applications of radio principles and techniques. Its aims are to promote international cooperation in the scientific study of radio, to encourage and aid in the organization of radio research requiring cooperation on a large scale, to promote the establishment of common methods and standards of radio measurement, and to encourage and aid in the discussion and dissemination of the results of these activities.

URSI has an active national committee in each of its 22 member states. These committees, organized and sponsored in each country by the National Research Council or a corresponding body, hold scientific meetings and have active working committees.

Geographical Union

The Department of State announced on July 18 that the U.S. Government has extended invitations through diplomatic channels to 71 other governments to be represented at the eighth general assembly of the International Geographical Union (IGU) at Washington, August 8-15, 1952. The seventeenth International Geographical Congress, to be held at Washington concurrently with the IGU assembly, is sponsored by the International Union. The forthcoming congress and assembly will be the first international gathering of geographers in this country since 1904, when the eighth Congress, which delegates dubbed the "Peripatetic Congress," convened successively at Washington, New York, Philadelphia, Chicago, and St. Louis.

More than 1,000 geographers, from the 31 countries which are members of the Union and from nonmember countries which will send observer delegations, are expected to attend the assembly and congress sessions. The U.S. delegation is as follows:

Delegates

Wallace W. Atwood, Jr., Ph.D., *chairman*, Director, Office of International Relations, National Academy of Sciences-National Research Council, Washington, D. C.; *chairman*, National Committee of the United States, International Geographical Union

Samuel W. Boggs, Special Adviser on Geography, Department of State

Edwin J. Foscue, Ph.D., Professor of Geography and Chairman, Department of Geography, Southern Methodist University, Dallas

Robert M. Glendinning, Ph.D., Professor of Geography, University of California at Los Angeles, Los Angeles

Gilbert H. Grosvenor, President, National Geographic Society, Washington, D. C.

Otto E. Guthe, Ph.D., Special Assistant for Maps, Department of State

Chauncey D. Harris, Ph.D., Professor of Geography, University of Chicago, Chicago

Preston E. James, Ph. D., Professor of Geography and Chairman, Department of Geography, Syracuse University, Syracuse, Retiring President, Association of American Geographers, U.S. Member of the Commission on Geography, Pan American Institute of Geography and History

Lester E. Klimm, Ph. D., Professor of Geography, University of Pennsylvania, Philadelphia

Richard Upjohn Light, M. D., President, American Geographical Society, New York

Glenn T. Trewartha, Ph. D., Professor of Geography, University of Wisconsin, Madison, President Association of American Geographers

John K. Wright, Ph. D., Research Associate, American Geographical Society, New York

The International Geographical Union, organized in 1922, is one of nine constituent organizations of the International Council of Scientific Unions which encourages and facilitates international cooperation in science. The purposes of the Geographical Union are to promote the study of geographical problems, to initiate and coordinate researches requiring international cooperation, to provide for meetings of the International Geographical Congress, and to appoint commissions for the study of special matters during the interval between congresses. The first International Geographical Congress was held in Antwerp, Belgium, in 1871. During the next 50 years, ten congresses were held under various sponsorships.

In a program encouraging the free exchange of ideas among geographers of all countries, emphasis will be directed to those areas of scientific investigation which are most successfully developed through international cooperation. The forthcoming general assembly will review the research activities of various commissions appointed at the seventh general assembly held at Lisbon in 1949. The commissions reporting to this assembly are those dealing with aerial photography, ancient maps, industrial ports, medical geography, periglacial morphology, regional planning, soil erosion, and inventory of world land use. The assembly will also discuss a report from its committee on arid lands. Fields of the geographical sciences to be discussed in the section meetings of the congress are biogeography, cartography, climatology, demography, and cultural geography, geomorphology, historical and political geography, hydrography, regional geography, teaching of geography, trade and transportation, urban and rural settlement, and resources, agriculture, and industry. There will be special symposia on "World Food Supply" and "Tropical Africa," in which leading experts will participate.

Under the auspices of several private groups in the United States, excursions are being planned for the visiting geographers both before and after the meetings in Washington. These include a transcontinental tour with bus and rail trips to various scenic centers in the West and Southwest; a geographical and historical tour of New England; a first-hand study of the industrial cities of the lower Great Lakes region; and a tour of the Southeastern States, including a visit to the Tennessee Valley. Visiting geographers will be the guests of the American Geographical Society in New York City, August 4-6, to join in the celebration of the Society's one-hundredth anniversary.

Arrangements for the meetings have been under way for 3 years by the United States of America National Committee of the International Geographical Union. Wallace W. Atwood, Jr., Director of the Office of International Relations, National Academy of Sciences-National Research Council, is chairman of this committee. Geographers throughout the United States have been enlisted as members of the committees on arrangements for the conference.

Several geographical organizations plan to hold meetings in Washington prior to the opening of the assembly and congress. During the period July 25-August 4, the third Pan American Consultation on Geography will be convened. The Association of American Geographers and the National Council of Geography Teachers are scheduled to hold their annual meetings on August 6 and 7. From September 4-16, the seventh International Congress of Photogrammetry will hold meetings in Washington and Dayton.

U.S., U.K. Conclude Telecommunications Talks

Press release 602 dated July 31

Talks have been concluded in London between a delegation of U.S. telecommunications experts, led by Federal Communications Commissioner Edward Webster, and representatives of the United Kingdom and Commonwealth Telecommunications Board representing Commonwealth governments. The discussions dealt with a proposal for the modification of article 2 of the London Revision of the Bermuda Telecommunications Agreement, which regulates various telecommunications matters between the United States and Commonwealth governments. This article, which concerns exchange rates and accounting procedures, required adjustment in light of the devaluation of the pound sterling in 1949 and has been the subject of correspondence between parties concerned since 1950. The full agreement which was reached between the delegations concerned is subject to confirmation by the respective governments.

The U.S. delegation raised the question of the handling of transit traffic by American companies to British Commonwealth countries, and as a result thereof certain U.S. proposals for the liberalization of the present prohibition of handling such traffic are being placed before the Commonwealth governments for consideration.

The United States in the United Nations

July 25–August 7, 1952

Security Council

Kashmir—Frank P. Graham, U.N. representative for India and Pakistan, sent the following letter, July 30, to the President of the Security Council:

On 29 May 1952 I informed the President of the Security Council that in agreement with the Governments of India and Pakistan the negotiations on the question of the State of Jammu and Kashmir had been renewed.

Following upon these negotiations the Governments of India and Pakistan have agreed to a meeting of representatives of the two Governments at a ministerial level under the auspices of the United Nations Representative in the European Office of the United Nations, Geneva, beginning 25 August 1952.

At the appropriate moment I shall report to the President of the Security Council the outcome of the negotiations.

Economic and Social Council

The Council concluded its fourteenth session on August 1. Two sessions will be held in 1953: the fifteenth, beginning March 31, 1953, at U.N. Headquarters, and the sixteenth, beginning June 30, 1953, at Geneva. The French resolution to hold the sixteenth session in Geneva was approved by a vote of 8–5 (Canada, China, United Kingdom, United States, Uruguay)–5 (Mexico, Pakistan, Iran, Philippines, Egypt). Isador Lubin (U.S.) appealed to the Council to vote in favor of holding this session also at headquarters. He stated that at a time when governments were complaining of the high cost of the United Nations and when it was becoming increasingly difficult to obtain legislative approval for necessary activities, a decision to meet in Geneva next year would be an “irresponsible decision.” It was more important, he added, that these additional funds be spent on technical assistance, UNICEF, UNKRA, and other programs set up to make life easier and better for the people of the world. Also, a Geneva meeting would greatly reduce the possibility of holding Near East and Far East sessions.

The Council took the following action, *inter alia*, during the final week of this session:

1. Adopted by a vote of 15–0–3 (Sov. bloc) the revised draft resolution jointly submitted by Bel-

gium, Cuba, Egypt, France, Pakistan, Philippines, and the United States requesting the Secretary-General to prepare for publication in 1954, a supplementary report on national and international measures taken to improve social conditions throughout the world, and to prepare a second edition for publication in 1956 of the report on the world social situation. This resolution also authorized the Social Commission to hold its regular session in 1953 and to make recommendations to the Council at that time on a program of concerted action in the social field in accordance with General Assembly Resolution 535 (VI).

2. Adopted by a vote of 15–0–3 (Sov. bloc) the Social Commission's resolution commending UNICEF; recommending increased efforts to make its achievements known; expressing concern that the 1952 budget was not fulfilled, and calling attention to the urgent need for meeting the 20 million dollars target set for the year ending June 30, 1953. Walter Kotschnig (U.S.) endorsed the extension of UNICEF programs in economically less-developed areas and urged continued emphasis on permanent child welfare and health services and that more attention be given to child nutrition and welfare in contrast to the present heavy emphasis on child-health programs. In calling attention to the resolution's reference to needed funds, he mentioned the recent U.S. appropriation of more than \$6 million for UNICEF and noted that the cumulative U.S. contribution of some 87 million dollars, which has thus far been made available by the U.S. Congress, will represent 70 percent of the total contributions of governments to the central account of the fund. It was his Government's hope, he said, that other governments within the limits of their resources and commitments would be able to continue their support of the fund so that the humanitarian work could go forward in 1953 without interruption.

3. Elections were held to fill the vacancies on the Council's 7 functional commissions, the Non-Governmental Committee, and the UNICEF Executive Board. It was agreed to defer until 1953 the selection of countries to replace the five Narcotics Commission members appointed in 1949 for 3-year terms.

4. Salvador P. Lopez (Philippines) was elected *rapporteur* on Freedom of Information. He will, in cooperation with the specialized agencies, follow developments in the field of freedom of information and report to the Council in 1953.

5. The Council approved, by a vote of 12-3 (Sov. bloc)-2 (Belgium, Egypt), the Social Committee's resolution requesting the appointment of a small group of experts to report on methods of measuring standards of living.

6. It adopted, unanimously, three Social Commission resolutions requesting the Secretary-General to continue to emphasize advisory social welfare services and to cooperate with UNICEF, the specialized agencies, interested nongovernmental organizations and other appropriate international bodies to encourage and assist governments in developing child-welfare programs; and that the member states give due attention to the principles adopted by the Social Commission on in-service training of social welfare personnel.

7. Adopted, 12 (U.S.)-3 (Sov. bloc)-3, a resolution on the simplification of formalities and the reduction of costs for migrants.

8. Adopted, by a vote of 15-0-3 (Sov. bloc) a resolution recommending to governments the development, for low-income groups, of long-term policies on building, housing, and town and country planning.

9. The Council approved, 15-0-3 (Sov. bloc), the Social Commission's work program for 1952-53 as drawn up by the Commission at its eighth session, and, *inter alia*, reiterated the need for priorities to be established for the success of the economic and social work of the United Nations and specialized agencies, and pointed out that international action can achieve substantial results only by concentrating the limited resources now available on tasks of primary importance for the realization of the objectives of the U.N. Charter.

10. The Council adopted, 14-3 (Sov. bloc)-1 (Uruguay), a U.K.-U.S. resolution on the question of the implementation of recommendations on economic and social matters. The operative part of this resolution states that (1) in the future, wherever practicable, the Council will indicate the specific dates when reports are expected from member governments in connection with the implementation of resolutions adopted; (2) will include in its annual report to the General Assembly information covering the replies received from governments regarding the implementation of recommendations of the General Assembly and the

Council in economic and social matters; and (3) will consider from time to time the desirability of reviewing the implementation of such recommendations relating to a particular field, or fields, of its activities.

11. The Council approved, 11-3 (Sov. bloc)-4 (Egypt, Iran, Mexico, Pakistan), the joint Philippine-Swedish-United States resolution instructing the Commission on Human Rights to complete its work on the two Covenants on Human Rights at its next session in 1953 and to submit them simultaneously to the Council. It also approved, 14-3 (Belgium, France, United Kingdom)-1 (Sweden), a resolution transmitting, without comment, to the General Assembly, the Commission's two resolutions relating to the question of self-determination of the people of non-self-governing and trust territories. The first of these two resolutions recommends the granting of the right of self-determination on demand and after a plebiscite, and the second asks the administering powers to transmit to the United Nations political information on non-self-governing territories.

Mr. Lubin (U.S.) stressed that the U.S. affirmative vote on the transmittal resolution was with the understanding that neither approval nor disapproval of the self-determination formulations was involved. He pointed out that the U.S. Government "has supported in the past and will continue to support the principle of self-determination, in deed as well as in word," but that it had serious reservations as to these two proposed resolutions. He noted that:

The Members of the United Nations have undertaken to develop self-government in the territories under their administration. The Charter specifies that this will be done by taking into consideration the particular circumstances of each territory and its peoples and their varying stages of advancement. It is recognized, therefore, that the development of self-government, while an urgent problem, is a continuing process and must be accomplished progressively.

... Under the Charter of the United Nations, territories being administered by other countries are enjoying an ever-larger degree of self-government. Each of the eight administering countries has accepted the obligations of the Charter relating to the territories which they administer. Each of these countries is promoting the political, economic, and social advancement of the territories under its administration.

... in each case there is progress, and the peoples of these non-self-governing territories are assuming an increasingly greater degree of responsibility in taking care of their own affairs. The policy of the United States is to assist, through the United Nations and otherwise, in making this progress move rapidly, yet surely.

Sixth Grassland Congress Opens August 17

Press release 560 dated July 17

The Secretary General of the Sixth International Grassland Congress, to be held at the Pennsylvania State College from August 17 to 23, will be Will M. Myers, chief of the Division of Agronomy and Plant Genetics, University of Minnesota. Until July 1, 1952, Mr. Myers was director of Field Crops Research, Bureau of Plant Industry, Soils and Agricultural Engineering, Department of Agriculture. He is now serving as vice chairman of the Organizing Committee for the Congress, chairman of the Executive Committee of the Organizing Committee, and chairman of the Program Committee. For the past year and a half, during all the preparations for the Congress, Mr. Myers has served as deputy to P. V. Cardon, Department of Agriculture, who was requested by the Fifth Congress to coordinate preparations for the forthcoming session.

The deputy secretary general for the Congress will be Herbert R. Albrecht, professor of Agronomy, Pennsylvania State College; William R. Chapline, chief, Division of Range Research, Forest Service, Department of Agriculture, and executive secretary of the Organizing Committee for the Congress; and Clarke L. Willard, acting chief, Division of International Conferences, Department of State.

The Congress, sponsored by the U.S. Government and the Food and Agriculture Organization of the United Nations (FAO), will provide an opportunity for scientists and technicians from various parts of the world to exchange information on the production, improvement, management, and use of grassland. The U.S. Government has invited approximately 65 countries to participate in this Congress, the first to be held in the United States.¹

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Waging the Truth Campaign. International Information and Cultural Series 22. Pub. 4575. 70 pp. 35¢.

Eighth semiannual report of the Secretary of State to Congress on the International Information and Educational Exchange Program, July 1 to December 31, 1951.

¹ For background information on the Congress, including its program, see BULLETIN of Feb. 25, 1952, p. 309.

August 11, 1952

Suppression of White Slave Traffic. Treaties and Other International Acts Series 2332. Pub. 4436. 53 pp. 20¢.

Protocol, with annex, between the United States and Other Governments, amending agreement of May 18, 1904, and convention of May 4, 1910—Opened for signature at Lake Success May 4, 1949; entered into force with respect to the United States Aug. 14, 1950.

Aviation, Air Transit Facilities in the Azores. Treaties and Other International Acts Series 2351. Pub. 4449. 6 pp. 5¢.

Agreement between the United States and Portugal—Signed at Lisbon Feb. 2, 1948; entered into force Feb. 2, 1948; operative retroactively Dec. 2, 1947.

Economic Cooperation. Treaties and Other International Acts Series 2344. Pub. 4460. 24 pp. 10¢.

Agreement and notes between the United States and Laos—Signed at Vientiane Sept. 9, 1951; entered into force Sept. 9, 1951.

Economic Cooperation. Treaties and Other International Acts Series 2346. Pub. 4462. 31 pp. 15¢.

Agreement and notes between the United States and Vietnam—Signed at Saigon Sept. 7, 1951; entered into force Sept. 7, 1951.

Education, Cooperative Program in Bolivia. Treaties and Other International Acts Series 2364. Pub. 4485. 5 pp. 5¢.

Agreement between the United States and Bolivia—Concluded at La Paz Nov. 22, 1950; entered into force Nov. 27, 1950.

Check List of Department of State Press Releases: July 28-Aug. 1, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press releases issued prior to July 28 which appear in this issue of the BULLETIN are Nos. 560 of July 17, 568 of July 18, and 572 of July 22.

No.	Date	Subject
*587	7/28	FSO retirements
588	7/28	Austrian Nazi amnesty legislation
*589	7/28	Liberian anniversary
*590	7/28	Peruvian anniversary
591	7/28	Acheson: Death of Sen. McMahon
592	7/29	Bennett: U.S. and Latin America
*593	7/29	Exchange of persons
594	7/29	Edinburgh Film Festival
595	7/30	Acheson: ANZUS meeting
596	7/30	U.S. del. to ANZUS
†597	7/30	Departmental appointments
†598	7/30	U.S.-Mexican TV Channels agreement
599	7/30	Marshall: Remarks before the ICRC
*600	7/31	American specialists leave for Germany
*601	7/31	Foreign students begin orientation
602	7/31	Telecommunications agreement
*603	7/31	Pt. 4 technicians (assignments)
†604	7/31	Establishment of British scholarships
†605	7/31	U.S., U.K. notes on tin trade
*606	8/1	Fulbright scholarships announced
607	8/1	Secretary departs for Honolulu
608	8/1	Cinematographic art exhibit
*609	8/1	U.S.-German teacher interchange
*610	8/1	Selections for Armed Forces staff colleges
*611	8/1	Swiss anniversary

*Not printed.

†Held for a later issue of the BULLETIN.

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